

ANNUAL AND SUSTAINABILITY
REPORT

2020

FIAGRIL



INTRODUCTION

GRI 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56

We present our 2020 Sustainability Report and this way start a new stage in Fiagril's corporate report production, aiming at telling our history and rendering accounts to our stakeholders, the market, and the general society.

We wish not only to show who we are and what we do, but to point out how we relate and how we integrate our ecosystem and the environment, highlighting our disclosure and sustainable work principles.

This document was developed in line with the global good practice, according to the Global Reporting Initiative (GRI) guidelines, as per the GRI Standards version, Core option. It encompasses information regarding the period from January 01st to December 31st, 2020¹. Our previous report took place in 2017, regarding 2016. From now on, our Sustainability Report should be annual.

The information in this document comprises all Fiagril's operations. It includes financial

and non-financial information. Financial Statements were audited by KPMG. Non-financial data did not undergo outsourced audits.

Materiality: In 2020 we reviewed our materiality, as per GRI recommendations and completely complying with the identification, prioritization and validation of relevant topics for defining the contents of this report. Further information in item "Relevant material topics", in chapter "Who we are".

This document is available on our website: www.fiagril.com.br.

For any comments, questions or suggestions on the report, please email us: comunicação@fiagril.com.br.

1. The information regarding quantitative data for this report refer to the period from January 01st to December 31st, 2020. However, in order to contextualize the new stage in our work and point out our evolution process, the report also contains qualitative information that refer to 2021.

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MESSAGE FROM THE CHAIRPERSON

GRI 102-14, 102-15

“We are from this land.” With such theme, we launched, on late March, 2021, our new brand, which adds value and reinforces the essence we so much cherish.

Day after day we have gradually developed out history since 1987. The development of our region and the emphasis on the close and trustworthy relationship with farmers and business partners have been the tone of our travel.

We wish to emphasize more and more this position. The agribusiness industry has developed and modernized over time, as well as the markets. And, in order to ensure our quality and credibility, we understand we cannot get in a rut. Knowing to realize future opportunities is an essential feature for agribusiness companies to keep growing in spite of the world economic crisis. Such maturing derives from the expertise, and it provided us modernization and development.

Our history relates to the history of agriculture development in Mato Grosso. In connection to the natural mission of this state for growing grains and the arrival of people wishing to work, our company was essential for helping turning the Brazilian Center-West region into the power it has become.

The state of Mato Grosso has evolved to be an advanced region when it comes to agribusiness, as it presents the greatest national production of soy, corn, cotton and cattle. To follow such movement, throughout the years we increased our product and service offer, aiming at providing farmers with higher profitability in their crops.

In addition to providing agriculture commodities, we have also started storing, marketing and exporting soybeans and corn. In 2008 we further opened our biodiesel plant. And, although we have our roots in Mato Grosso, we have expanded work and started counting on operations in the states of Tocantis, Amapá and Paraná as well.

The business model expansion was carried out based on deep researches on the farmers’ profile in these states, in addition to the analysis of agribusiness investment and development in such regions. For the next years, we expect to include the states of Pará and Rondônia in our services as well.

We have a unique profile in the agribusiness production chain. At the same time we are committed to farmers, to providing the best solution for their crops, we also take care of grain origination and exporting, producing biodiesel as well. It offers us great possibilities for working in this area, an aspect that becomes a differential, together with our close relationship with farmers and business partners.

The year 2020 was a very peculiar one for all of us, bringing challenges and rout adjustments. While a great part of the country was in quarantine, due to the pandemic, the agribusiness did not stop, as it is an essential activity, and we had to adapt to this new reality. We have looked for taking care of people and deal with the operational impact the best way we could.

In order to overcome the lack of fairs and events in our relationship with customer, we have increased and improved the use of digital tools, what allowed us keep in touch. We have also set safety and hygiene protocols so we could continue servicing customers at the branches and welcome guests. We managed to adequate logistics so as to deliver inputs within the proper terms, with no losses for customers. In addition, we kept paying attention to the laws in the different places where we work, and we were closed for public service as needed, complying with hygiene recommendations.

For origination, the pandemic took place during the soy crop and hit the peak in the countryside in July, during the corn crop. In such period we received, stored and sent grains, what implies a large-sized logistics process, mainly performed by trucks. In order the activities could continue, we set restrict safety procedures, following the main pre-set prevention and contention protocols.

In the biofuel field the demand dropped more than 50% in the beginning of the pandemic, causing concerns to the national biodiesel market. There was overstock due to the limited storing space, and it impaired production. However, the adjustment on the raw material and biofuel shipping logistics was fast, avoiding further damages and continuing the complete compliance with the agreements executed.

In spite of the impact of the first stage of the pandemic, in the second semester we experienced a recovery in the market and in our liquidity. Agribusiness, an industry essential for life, restarted energetically, also pushed by the high demand in national and international markets and by the better prices

for commodities. We closed the year with a revenue (gross income) 27.26% higher than the previous year, considering the three business units, and we met a great goal: the issuance of the Agribusiness Receivables Certificate (CRA) of BRL115 million in December 2020. It was our first own issuance in the capital market, and we wish to expand the program with the new issuances over the next years.

We have kept our commitment to sustainability, the strict control of license issues, sustainable credit granting, and setting commercial alliances with environmentally responsible farmers. We are renewing our commitment to the United Nations Global Pact, and we restate our commitment to the Sustainable Development Goals (SDG), the Soy Moratorium, and environmental preservation. We take part in the renewable energy market, and we believe in RenovaBio program. For this reason we study the possibility of issuing CBios in the future and we are paying attention to such market movements.

We are confident regarding the future: our goal is grow more than 25% in input sales in 2021 and increase the originated grain volume in 10%. We are also considering increase our geographic presence, reaching new markets. We should keep investing in the synergy between our work areas. In addition, in order to provide a better and safer service experience, we are improving and digitalizing our procedures, so as to optimize our customers' time and financial resources.

No achievement, especially in times so hard as the one we are living, would be possible without the support and contributions of our employees, suppliers, investors and, moreover, our customers. Thank you for everybody's trust. We should keep together, close by or apart, offering the best technologies and the best products.



Henrique Mazzardo
CEO

FIAGRIL

WHO WE ARE

PROFILE AND STRATEGY GRI 102-1, 102-

2, 102-3, 102-4, 102-5, 102-6, 102-7

With 33 years of activity in 2020, Fiagril (corporate name – Fiagril Ltda.) is a company in the agribusiness industry, with **operations primarily focused on three great business areas:**

○ **Input provisions and distribution to farmers**

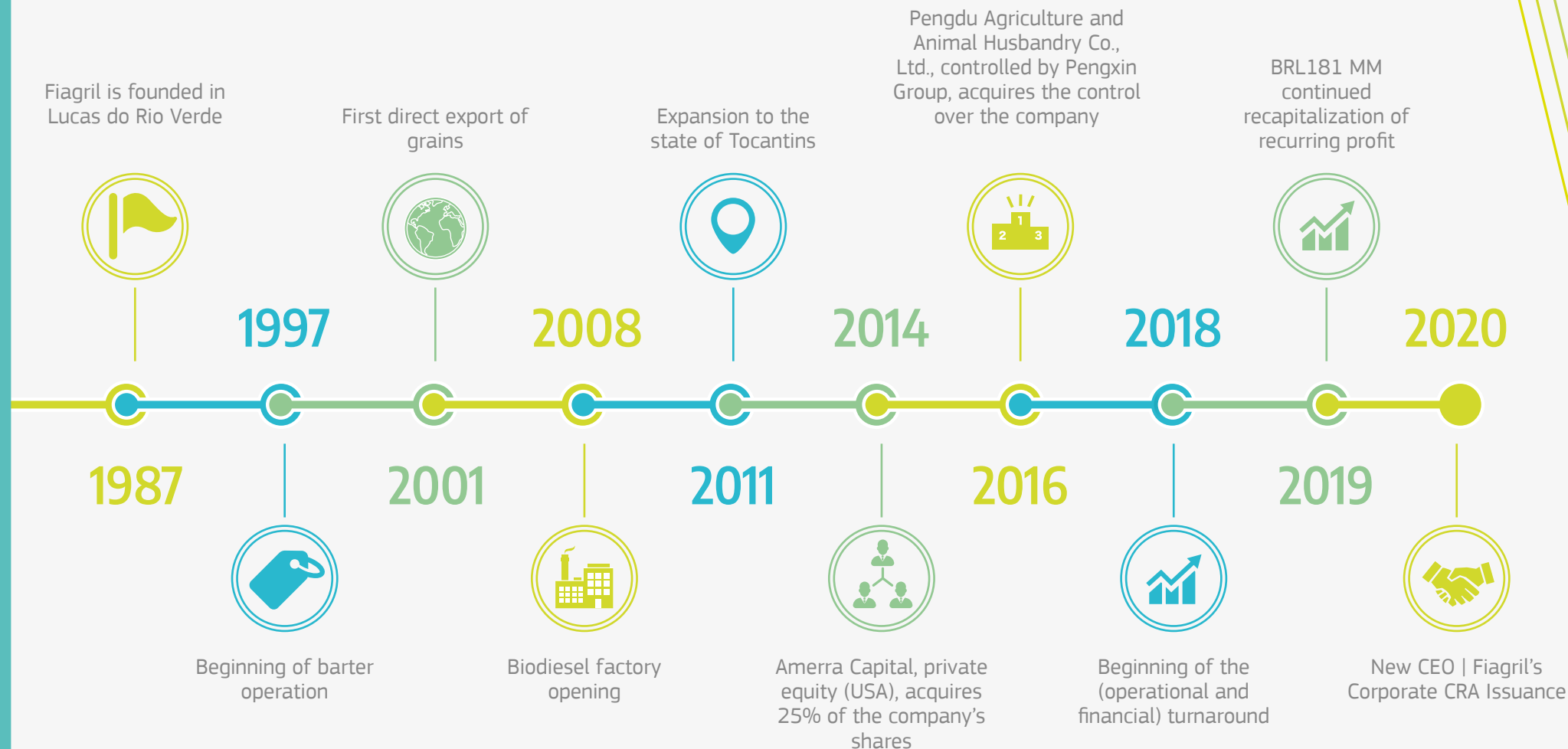
○ **Grain origination, marketing, processing and storage and**

○ **Biodiesel and its derivatives production.**

Our operations have started and consolidated in the state of Mato Grosso. The company as founded in 1987, in Lucas do Rio Verde, a town in the greatest region producing grains in the state and one of the current main agriculture areas in Brazil and the world.

Get to know a little of our history:

TIMELINE

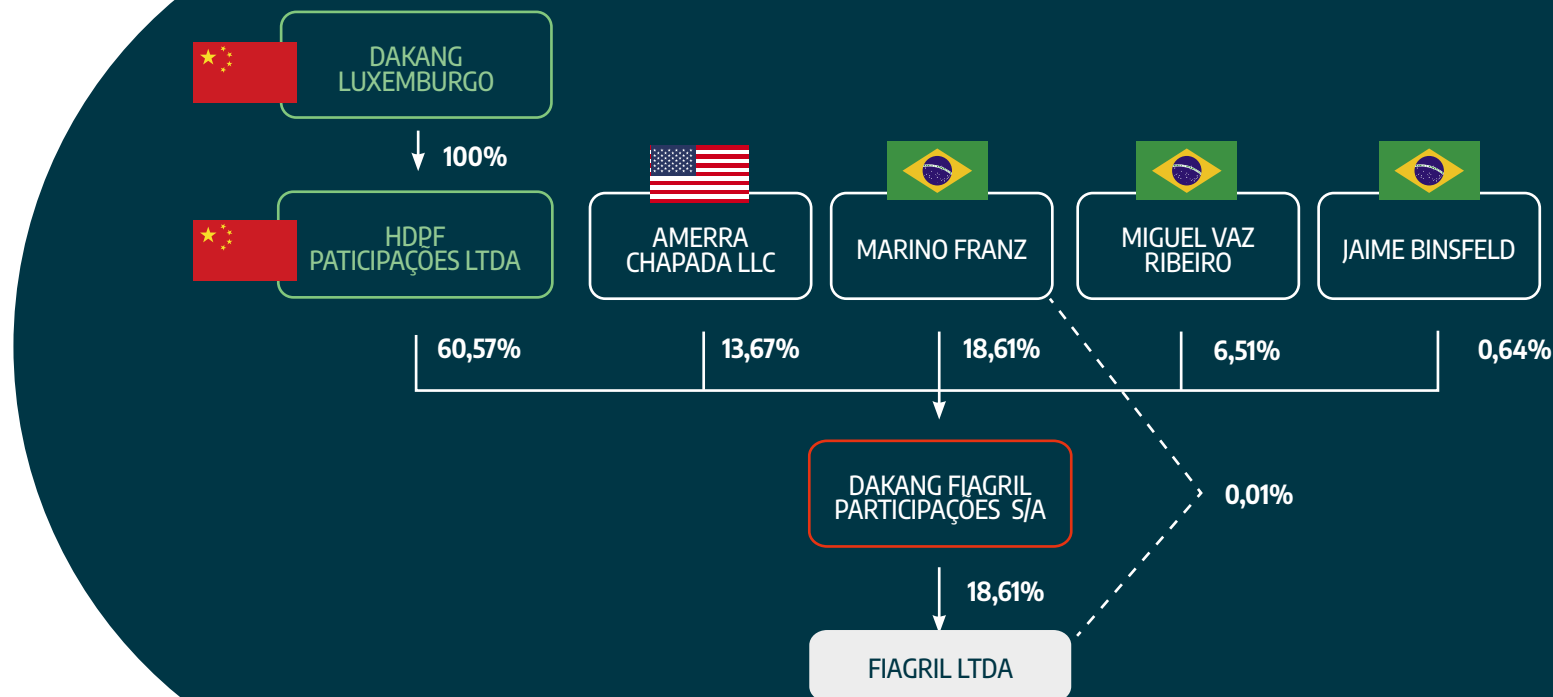


Over time we have expanded our activities and today we **own 31 units**, distributed among the states of Mato Grosso, Tocantins, Amapá and Paraná. We closed 2020 with **428 permanent employees and 20 temporary employees**. This year we made **business with more than one thousand farmers**, small-, medium- and large-sized ones.

Our operations are concentrated in Brazil, but we also export grains to other countries.

Our corporate composition comprises Brazilian partners (business founders), a North-American private equity investment fund, and, as the majority shareholder, Pengdu, a Chinese large-sized private group who works throughout the world.

CORPORATE STRUCTURE



**WE CLOSED 2020 WITH 428 PERMANENT
EMPLOYEES AND 20 TEMPORARY EMPLOYEES**

Our executive body comprises high-performance professionals who are greatly experienced, including in markets other than agribusiness. It makes our decisions have a broad and heterogeneous view, bringing the best of each expertise for the decisions on the company's business.

We look for continuous improvement, aiming at delivering to our customers the best technology in the market, together with the best service in the production chain. Our goal is bringing the best experience to farmers for optimized costs. We wish their profit to improve, as they are our inspiration, creating employment and income in the regions where we work.

Aiming at the future, we are studying a new expansion to other regions relevant in Brazilian agribusiness, wishing an organic, and finally inorganic, growth. We have also been assessing, for the near future, the expansion of our industrial capacity, as well as the grain processing one. We want to be closer and contribute even more to our customers, offering new products and services. Further information on what we think for the future: refer to chapter "Near Future Opportunities and Challenges".

EXECUTIVE BODY



HENRIQUE MAZZARDO – CEO

At Fiagril since 2003, he developed his career in the Accounting, Financial and Commercial areas, taking over the Chairperson role in 2020. He has a broad and deep knowledge on Fiagril's operation and all its working market.



WANDER MEYER – CFO

He has a professional life of more than 35 years, working as C-Level in the main trading in the world, in operations in Brazil and international markets (USA, Mexico and Paraguay). He entered Fiagril in 2021



RONNIE MOTTA – Financial Officer

Experience in strategic and financial area and in different industries, mainly in performance management, operational and financial restructuring, M&A and Investor's Relations. He works at Fiagril since 2018, at first taking over Finances.



GUILHERME KUMMER –
Grains and Industrial Operation Officer:

He has worked in the financial market, at financial institutions and brokers, entering Fiagril in 2004, with presence in the Commercial, Logistics and Risks areas, now also working in the Industrial Operations one.



MARCOS CASTRO – Input Officer

He has worked for 24 years at Syngenta and Coamo (Cooperativa Sul) in input distributions, having a good relationship with suppliers and farmers. He entered Fiagril in 2013 in order to manage the input business unit



DIONEIA CANCI –
People Management Officer

She started her professional career in 2007, at Fiagril, contributing with 13 years of experience in Human Resources management for the agribusiness industry. She has an MBA in marketing, branding and growth, BVC, insights discovery, MTBI, and change management certificates, in addition to M&A experience.

CORPORATE IDENTITY GRI 102-16

In line with the company's evolution process, in 2021 we launched our Purpose, which defines our aspiration, and updated our Values. This way the essence of our existence and Fiagril's work is based on such principles, which comprise our corporate identity.

Purpose

Transforming lives,
connecting sustainable
production to the world.



Values



**Growing trustworthiness:
with integrity, we take care of
relationships; ;**



**Playing together: developing long-
lasting partnerships; and**

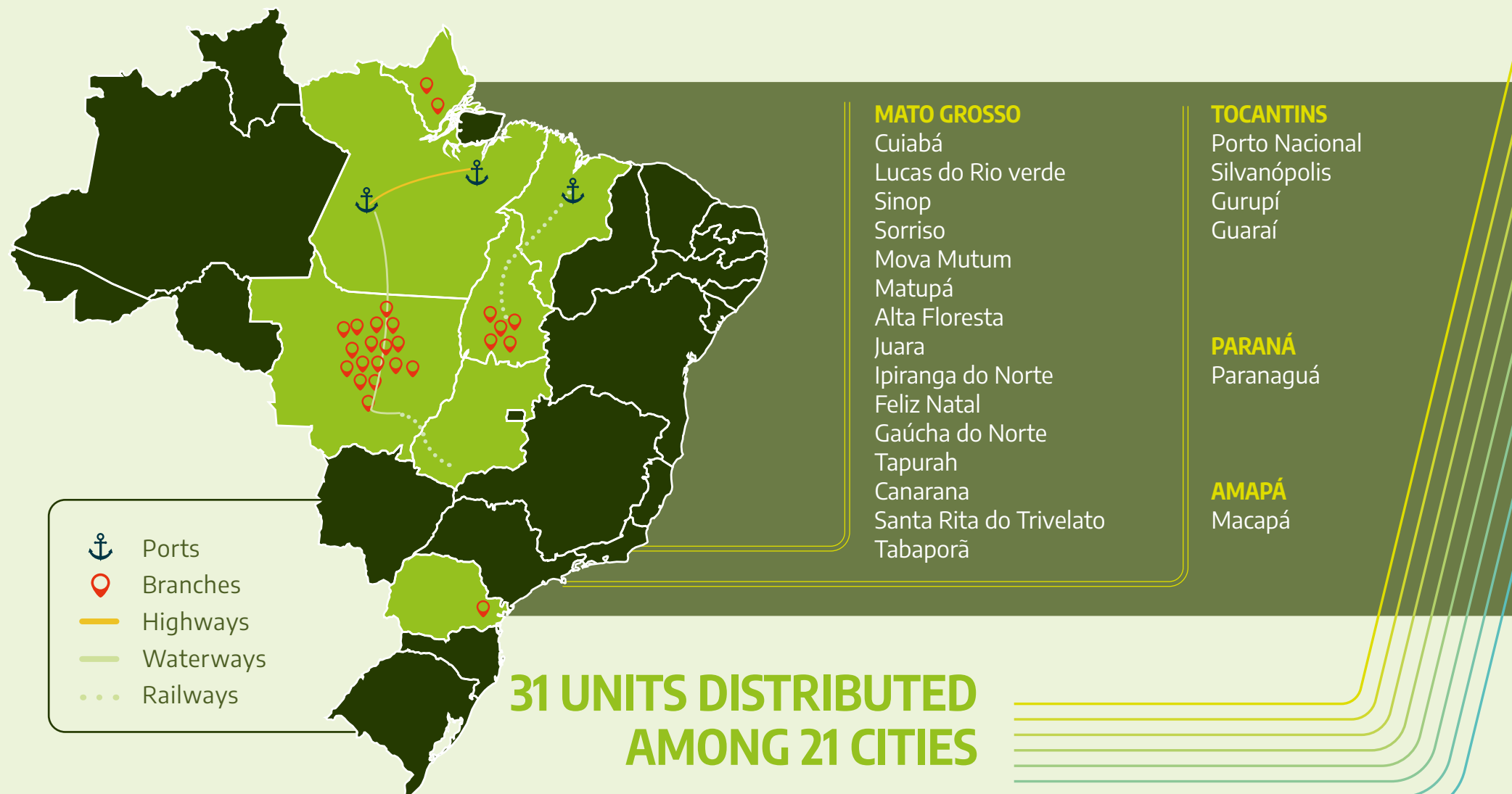


**Making it happen: creating
sustainable results.**

OUT UNITS GRI 102-4

We have 31 units, in the states of Mato Grosso, Tocantins, Amapá and Paraná.

Our structure comprises: **16 branches for input marketing**: 12 in Mato Grosso, 3 in Tocantins, and 1 in Amapá; and **13 branches for grains business**: 9 in Mato Grosso, 2 in Tocantins, 1 in Amapá, and 1 in Paraná. We also own **one industrial unit for biodiesel production**, in Lucas do Rio Verde (MT). And our headquarters are in Cuiabá (MT).



RELATIONSHIP PUBLIC

GRI 102-40, 102-42, 102-43, 102-44

We look for relationships mainly with stakeholders in our production and value chain in line with purposes and the market's good practices. It makes allows our Purpose and Values to expand and strengthen throughout the chain and in the market as a whole. We intend such premises to be present from the primary production to the final customer.

We also take into account, in the relationship, stakeholders that have compliance level similar to ours regarding social and environmental, governance and economic aspects in the production and value chain.

In addition, our role, in such context, includes delivering innovative solutions, crop production and protection technology, technical services and agriculture good practices to groups that cannot easily access these items, such as medium-sized

and small-sized farmers. In other words our duty as a company also poses conditions for stakeholder selection, definition and engagement criteria.

Regarding suppliers, we look for relationships with top companies in each industry, considering their economic, performance, active social role and responsible environmental position. We have internal policies guiding our procedures, from the financing of such supplier, through the methods for proving the quality of the product provided to us, to possible risks we can be exposed to, both in operations and in our credit and reputation.

In the communities with to we seek to engage we take the macro point of view, when we define, using socioeconomic studies carried out by our technical employees or outsourced consultants, in which Brazilian regions we intend to work and/or expand

our activities, as well as market share strategies. Based on such assumption, we seek to improve the communities where we work, such as creating employments, income and economic development.

Due to the diversity of stakeholders we relate with throughout the chain, we keep, for each public, the needed approach level we understand is enough to assure a good relationship, as well as the clear understanding of each one in the chain and market context.

Our main stakeholders are:

- ✓ Shareholder and investors
- ✓ Employees
- ✓ Customers and business partners
- ✓ Suppliers
- ✓ Communities
- ✓ Service providers
- ✓ Financial institutions
- ✓ Associations and class entities
- ✓ Government bodiess

RELEVANT MATERIAL TOPICS

GRI 102-46, 102-47

In 2020 **we reviewed out Materiality Matrix**, aiming at more maturity in our management mechanisms.

The main goals of this review were:

- Identifying information relevant for our business
- prioritizing topics creating greater impact in value adding over time and
- indicating what strategies, products, services and initiatives are related to such topics.

In order to achieve the current relevant material topics, we carried out, based on the previous materiality process, internal and external analysis of materials and documents, context analysis, scenario opinion, internal interviews (with company’s managers) and external interviews (with stakeholders), consolidating the previous results.



HOW WE CREATE VALUE

GRI 102-15

We were born as a family business, focused on **regional farmer development**, and we consolidated at first as agriculture input suppliers. We started our business when the state of Mato Grosso took over its vocation for producing grains, when farmer families arrived at the region with new life projects. We grew with our customers and with the state agribusiness, having the higher Agriculture and Livestock Production Gross Value (VBP) in the country. The highlights are soy, corn, cotton, sunflower and cattle, and it is consolidated today as the greatest grain producer and as owning the greatest cattle in Brazil.

We specialized in **close service focused on farmers, their properties and business as a whole**, thus expanding our presence and products, services and solutions more and more.

We work directly distributing inputs to farmers, operating most of the time under barter regime, in which we grant credit through input providing. As a way of installment payments, farmers deliver us part of the grains from their production. After improving such model, we escalated the operations to different branches and states, what provided us in parallel with the opportunities to

meet the need of farmers on storage and sale of surplus product. This way we structured a grain origination and storage business together with input distribution.

Later on, giving one more step in our working chain, we opened, in 2008, our biodiesel plant, with a capacity for producing 202 million m³ per year, using different types of vegetable oils, mainly soy oil.

The growth in business made us seek new markets, opening branches in the states of Tocantins and Amapá. The expansion was planned based on our market share strategy, as well as on researches on the farmers' profile in each state, land structure, in addition to agribusiness investment and development analysis. We have also analyzed the possibility for agriculture expansion on degraded pasture areas, respecting the ecosystem and local biomes.



In our business and activities, we seek to create value, essentially, through:

- Close working and search for innovative solutions with farmers and business partners, aiming at long-term and trustworthy relationships, and contributing so our customers and partners achieve the desired results at short, medium- and short-term;
- consolidation of business in line with regional development;
- total compliance with sustainability aspects and principles in all our activities and operations, such as in financing granting and grain origination procedures, and
- support to economic development of the places where we are present, contributing to improving the farmers' income, and creating employment in our branches.



Throughout our history, we have always sought **to cause positive impacts** on the regions where we work, believing in the principle it decisively contributes to the sustainability of our operations and that of the local communities, including prioritizing local workforce for each one of our branches.

Our customer portfolio comprises small- and medium-sized farmers. Such public most of the time has lower access to new technologies and credit to finance its activities. This way we purchase and supply products, technology and services in large scale, distributing to medium- and small-sized farmers on a retail basis, and giving them the opportunity to pay using their

own production, within the time adequate to each crop. **Our role thus works as a sustainable link** to help the maintenance of such farmer niche in the production chain.

Through the input distribution, we seek to contribute to farmers to increase their profitability, by means of a scale gain, improvement of productivity and risk mitigation. This way **such farmers help to develop their communities, increase investments, create employments, and, as a consequence, increase the city fund-raising.** Such positive impacts are rapidly welcomed, considering that, in many cases, agriculture is the only activity in the region. Grain production and its production chain become the only income and earning source, what creates a virtuous cycle for people, the economy and the environment.

In addition to it, we prioritize the **implementation of new technologies that also benefit the environment, in order to create production vertical growth**, thus increasing productivity and reducing the need for opening new areas, what could, in some cases, increase the devastation rates, for example.

Perspectives for 2021-2025 – Institutional

- ✓ Consolidation of the restructured company's reputation;
- ✓ growth with profitability;
- ✓ opening of new branches;
- ✓ increase in the number of customers and market share and
- ✓ biodiesel verticalization.



COMMITMENT TO SUSTAINABILITY

DAY-TO-DAY GUIDELINES

GRI 102-15

We understand sustainability is an essential element for consolidating our operations and for keeping and expanding our competitiveness, considering the agribusiness industry is continuously modernizing, in line with the market and society desire for sustainable development.

This way we see to work in a responsible, ethical and transparent way, contribute to promoting sustainable development in the regions where we make business, and meet the interests of the communities where we operate.

In this sense we can highlight some initiatives:

LICENSES

We monitor operation licenses and conditioning control for three business lines (inputs, origination and biodiesel). All licenses, as well as their respective due dates, are recorded on a document management platform, which helps following them and triggers alerts for their terms and renewal dates.

FOREST PRODUCT CONSUMER REGISTRY (CC-SEMA)

At our warehouses, we use wood waste as heat source for drying grains. Such waste is marketed through CC-Sema, which regulates and checks the wood origin traceability, attesting such products are not from illegal exploration.



FEDERAL TECHNICAL REGISTRATION FOR ACTIVITIES POSSIBLY POLLUTING AND/OR USING ENVIRONMENTAL RECOURSES (CTF/APP)

We have a registration with CTF/APP, of Brazilian Institute of the Environment and Renewable Natural Resources (Ibama), which is a mandatory registration for individuals and corporations carrying out activities subject to environmental control and whose purpose is controlling such activities.

ANALYSIS FOR FINANCING GRANTING

In our analysis processes for financing granting, we seek to take all possible care, in line with our responsible work and the laws and rulings in force. For such purpose, we count on two very important tools:

SOCIAL AND ENVIRONMENTAL COMPLIANCE

When managing rural property, we count on a platform that helps us to analyze **social environmental compliance**. Through this platform, we issue social and environmental statements for analysis of any area subject to financing, paying attention to the following criteria:

• We do not finance initiatives in:

- Areas prohibited by the Environmental Bureau (Sema), by Ibama and by Instituto Chico Mendes de Conservação da Biodiversidade (ICMBio);
- indigenous and quilombola lands, and
- conservation units.

• We do not partner with companies or entities whose names are in the list of work similar to slavery.

• We comply with the parameters set forth in the Soy Moratorium Agreement.

SATELLITE IMAGE ANALYSIS

In barter modality, in addition to issuing the social and environmental statement, we also carry out **a detailed analysis of the rural property, through satellite images**, called **F-Agro**. Such analysis helps us to close a financing operation assessment..

SUPPLIERS AND CUSTOMERS REGISTRATION

The management and control of suppliers and customers registrations are carried out through the monitoring of the lists issued by the official control and inspection bodies. This way we manage the blocking and unblocking of our internal system, as the case may be, keeping the integrity of the process.

ENVIRONMENT

Among our concerns with sustainable development, we also pay attention to the environment and the eco-efficiency (further information in chapter “Environmental management”).

COMMITMENT TO EXTERNAL INITIATIVES

GRI 102-12

We highlight the following commitments:

Soy Moratorium



We signed this pact since July 2012, and we annually undergo an external audit in order to attest the compliance with the criteria set forth in the treaty. For further information on the Soy Moratorium, access: abiove.org.br/sustentabilidade.

Soja Plus Program



We are part of this initiative, which is present in the main states growing soy: Mato Grosso, Mato Grosso do Sul, Minas Gerais, Bahia, Goiás, Maranhão and Piauí. For further information on the Soja Plus, access: www.sojaplus.com.br.

United Nations Global Compact



Aiming at the commitment to global sustainability, we request our return to the United Nations Global Compact. We are currently waiting for the document analysis. We have great accepting expectations, and this way we hope to align our strategies to the ten universal principles in human rights, labor, environment and anticorruption areas. Further information on the Global Compact on: www.pactoglobal.org.br.



SEALS AND CERTIFICATES

GRI 102-12

Bio+



In 2020 our right to use Bio+, first “private quality standard” seal focused on Brazilian biodiesel, was approved. For further information on this seal, access: biodiesel.abiove.org.br/qualidade.

ISO 17025



We have this certification for our biodiesel unit since 2016. ISO 17.025 is the laboratory test standard, in case of assays and calibration, aiming at assuring product quality and performance. To learn more on this standard, access: www.iso.org/ISO-IEC-17025-testing-and-calibration-laboratories.html.

Tesouro Verde – Amapá



We have the Sustainability Seal Tesouro Verde, program focused on creating a collaborative network to promote and return the use of natural resources through issuing environmental certificates (“forest credits”). To learn more on this initiative, access: www.plataformaterouroverde.com.br/estados/AP.

Seal Combustível Social



This seal grants to Fiagril the character of promoter of productive inclusion of the family farmers registered in the National Family Agriculture Strengthening Program (Pronaf). For further information on the seal: www.biodiesel.com/noticias/agricultura/selo.



MEMBERSHIP OF ASSOCIATIONS AND CLASS ENTITIES

GRI 102-13

We have membership and/or representatives in the following entities:

- Brazilian Association of Vegetable Oil Industries (Abiove) – since 2012;
- National Association of Cereal Exporters (Anec);
- Grupo de Trabalho da Soja [Soy Work Group] (GTS) – comprised of organizations from civil society, government bodies, soy merchants, Abiove and Anec;
- Brazilian Union of Biodiesel and Biojet-fuel (Ubrabio);
- Union of the Biodiesel Industries of the State of Mato Grosso (SindiBio-MT);
- National Association of Agricultural and Veterinary Inputs Distributors (Andav);
- State Council of the Agricultural and Livestock Products Resale Associations of the State of Mato Grosso (Cearpa) – since 2007, and
- Agriculture and Livestock Defense Agency of the State of Tocantins (Adapec).

Note: Cearpa and Adapec are entities responsible for the inspection and registration of the input distributors regarding the agrochemicals package reverse policy, providing adequate disposal to package of such products.

Perspectives for 2021-2025 – Commitment to sustainability

- ✓ Production and distribution of social and educative booklets to customers and employees;
- ✓ rorganization of events at the branches, highlighting the role of sustainability throughout the agribusiness chain;
- ✓ update of knowledge on good practices of handling and sustainable development;
- ✓ projects for education of the communities where we work, and
- ✓ creation of a seal for customers who comply with the sustainability principles.



CORPORATE GOVERNANCE

GOVERNANCE GUIDELINES AND STRUCTURE

GRI 102-10, 102-18

We have a clear governance, with set forth policies and rules and a strengthened management, what allows for a trustworthy relationship with all our interested publics and reinforcing a healthy operational environment.

We are a closed corporation, but we are concerned with following the best corporate governance practice in the market. Our conduct is based on ethics and transparency. We are also permanently concerned with risks and compliance management.

Our executive body is a professional one, with autonomy to plan the company's commercial and financial strategies, aiming at providing the best service to customers in terms of solutions and partnerships. The access to international funds and the issuance of CRA, in the value of BRL115 million, in December 2020, indicate the confirmation of our governance and credibility. It was the first time we had access to the capital market.

In the governance structure, our Top Management is comprised of the Board of Directors and the Executive Board. The Board of Directors, whose chairperson is the company's founder, Marino José Franz, meets every three months

Both the Board of Directors and the Executive Board are supported by the following committees:

- Specific committee, set up in the Board of Directors: Risk and DKFP Audit Committee, and
- Internal Committees:
 - Ethics Committee
 - Credit Committee
 - Risk Committee

All decisions by the Committees are based on our policies and on other internal standards and principles.

Our main policies are:

- Compliance Policy;
- Anticorruption Policy;
- Competence Policy;
- Credit and Charging Policy;
- Compensation Policy;
- Sponsorship Policy;
- People Management Policy;
- Information Safety Policy;
- Sustainability Policy, and
- Health and Safety Policy.

ETHICS AND COMPLIANCE

GRI 102-16, 102-17, 103-2 e 103-3: Anti-corruption, 205-1, 205-2, 205-3, 406-1, 415-1, 418-1

We have a **Compliance Policy**, since 2017, guiding the management of compliance aspects. Ethical conduct is controlled by the Internal Regulations of our Ethics Committee and our **Anti-Corruption Policy**.

In 2020, we updated **Fiagril's Code of Ethics**, a document that seeks to guide our employees' personal and professional conduct and works as a recommendation and consultation also for other audiences professionally or commercially involved with the company. The Code of Ethics shows the behavior expected from employees in the workplace and in the company's relationship with suppliers and government agencies, so that there is always respect for life, social and environmental responsibility, occupational safety and to legal rules. It also addresses issues relating to the Anti-Corruption Law.

The Code of Ethics **is given to all new employees upon admission**. When joining the company, the employee goes through the initial integration, where we explain the principles and main policies and standards of the company, including the Code of Ethics. They sign the Fiagril's Code of Ethics Responsibility Statement at the end of the integration process, attesting the reading and awareness on the code. The Code of Ethics and other regulatory documents, such as policies, are also available to employees on an internal document management platform.

Regarding compliance, we make efforts for following legal rules and the laws in force, as well as good corporate practices. We also monitor possible conduct deviations and clarify any questions of employees on the company's policies and standards, promoting

training/workshops related to the Code of Conduct, compliance, the Anti-Corruption Law and the Ombudsman at branches as well. This way we try to minimize risks and efficiency losses, in addition to benefit employees, who get corporate knowledge making their integration in the company and their professional development easier.

Reports on noncompliance, conduct deviation and violations to the Code of Ethics or the company's standards or laws in force, as well as critics, suggestions for improvements or praise should be addressed to our **Ombudsman Channel**. Such feedback helps ensure the maintenance of our corporate culture.

All reports and statements are treated confidentially and can be anonymous, if the applicant so wishes. They are forwarded for

being answered and/or for measures to be taken by the competent areas, ensuring the secrecy and independence of the channel.



Ombudsman Channel:



0800 727 7179



ouvidoria@fiagril.com.br

It is also important to emphasize that **we do not accept any kind of discrimination or prejudice**, whatever its nature: race, sexual orientation, religion, age group, marital status, nationality, political conviction, physical conditions, etc. Such guideline is set forth in our Code of Ethics. **GRI 103-2 and 103-3:**

Non-discrimination, 406-1

In our recruitment, selection, admission, promotion and internal movement, candidates are assessed exclusively through their competences and criteria for meeting the expectations of the job. All employees must be treated with respect and politeness, regardless their position or role.

In 2020 we had a **case of discrimination**, contrary to the principles in our Code of Ethics. The case was checked by the Ombudsman Channel, respecting the secrecy of the reporter, and then forwarded to the Ethics Committee, leading to applying corrective sanctions to the person reported.

In 2021 we will launch the **Investor's Relations Portal (RI)**, which should expedite and bring even more transparency

to the information provided by the company to investors, financial institutions, suppliers, customers and other partners.

CANTI-CORRUPTION MEASURES

GRI 103-2 and 103-3: Anti-corruption

We have an **Anti-Corruption Policy**, as well as with a **Sponsorship Policy**, to give guidance on these topics. Specifically with regard to **sponsorships**, any request for it is analyzed and checked thoroughly.

In cases of sponsorship and/or donations related to political parties, party coalition or candidates to elective positions, within or without election campaigns, in addition to the internal areas, any request should be approved by the company Administration. Other guidelines on the subject are set forth in our Anti-Corruption Policy. In 2020 we did not make direct or indirect financial contributions to political organizations.

GRI 103-2 and 103-3: Public Policies, 415-1

FOR THE ANTI-CORRUPTION MANAGEMENT WE COUNT ON:

Defined policies, which are accessible and disclosed to all employees;



Code of Ethics - in our Code of Ethics, there is an item specifically on Law 12,846/2013, known as the Anti-Corruption Law, clarifying to employees our determination not to take part in any act that violates said law

Specific anti-corruption clauses in agreements executed with service providers and suppliers;



Canal da Ouvidoria para denúncias, amplamente divulgado; e

Absence of political donations - at first we do not make any donations to politicians or political parties;



Ethics Committee.



The company's products purchase processes take place within defined competences and use techniques for separation of duties in order to bring more transparency and security to operations.

In addition, we often perform **internal audits** to test internal controls in different areas of the company, analyzing possible vulnerabilities. This way we create or promote changes in processes, aiming at reducing risks or policy and procedure violations. Our Financial Statements are externally audited on an annual basis. It is conducted by a company acknowledged in the international market.

Regarding **training on the subject**, during the integration of new employees a brief is offered, covering our policies and norms of behavior, when they receive the printed Code of Ethics. In a day-to-day basis we host workshops for the disclosing the Code of Ethics and other policies and standards, including the Compliance Policy, Anti-Corruption Policy and laws in force. Finally all regulatory documents are available to employees on the internal document management platform, being deemed as assessment points during their probate period. Thus 100% of our employees are aware of the topic.

In 2020 **we had no** proven **corruption** case of in the company.



Compliance with the General Data Protection Law (LGPD) GRI 103-2 and 103-

3: Customer privacy, 418-1

We are adapting our processes and systems as per the requirements of the LGPD. We understand the process of adaptation to the LGPD is a means to add value to our business and products, as it reinforces the privacy and data protection culture in Brazil and raises awareness of employees, customers and suppliers on the need to have control over personal data treatment.

We have **Personal Data Protection and Information Safety Policies**, amended in such context.

In 2020 there were no complaints of violations to customer's privacy or triggering by regulatory agencies. Besides, we did not have any cases of theft and/or loss of customers, suppliers or employees' personal data.

RISK MANAGEMENT

GRI 102-15

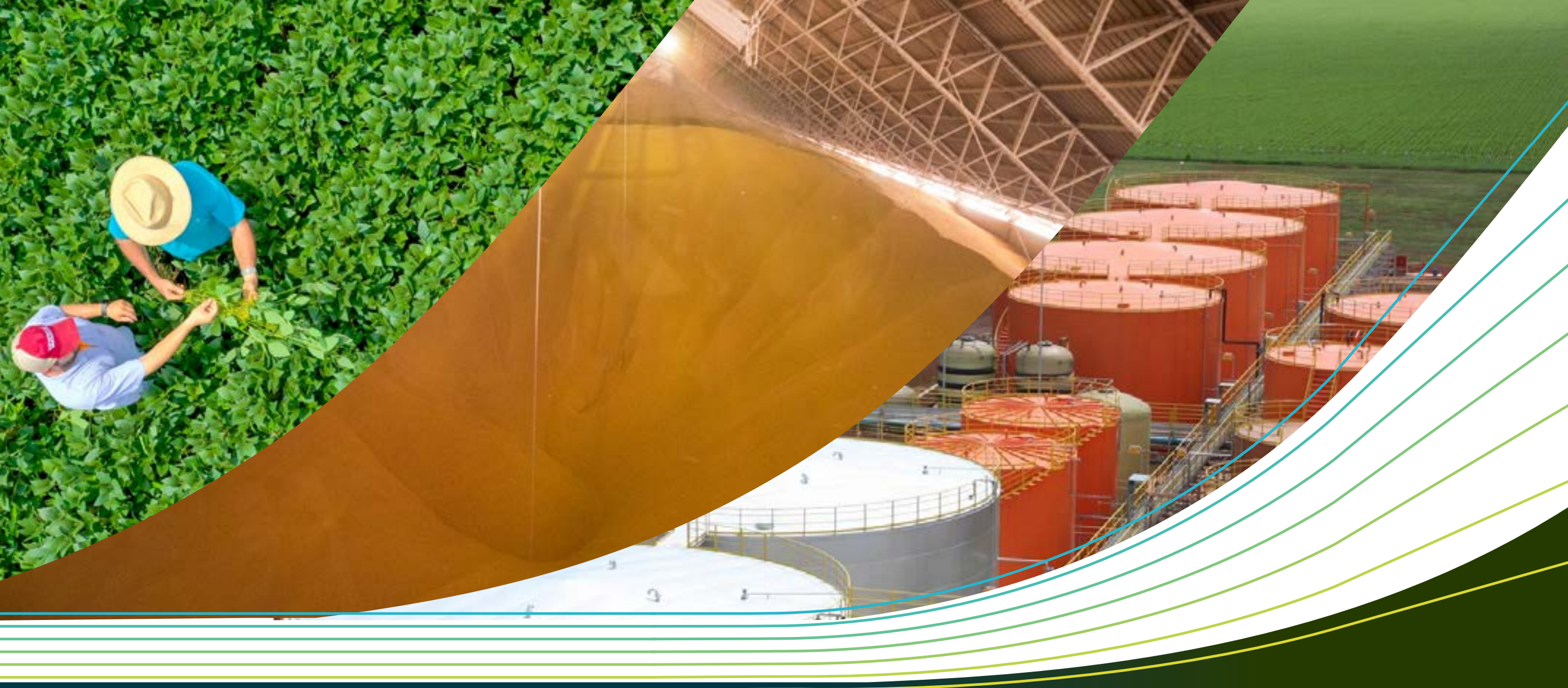
Risk management is a primary activity in our daily lives. Regarding **market risks, analysis actions, risk mitigation and monitoring are present in all company areas**, involving both financial and commercial risk. We also have specific procedures for **credit risk management, commodities exchange exposure risks, liquidity risks and social and environmental risks**.

We have a **Risk Committee**, responsible for weekly monitoring the company's risks, and a **Market Risk Policy**, approved by the Board of Directors, which sets the exposure

risk limits per product and crop, in addition to financial products that can be used as hedge instruments.

We count on routines to monitor exposures to risks and carry out risk analysis and reports, as well as to improve processes, so that the identified risks are properly reduced, according to guidelines given by the Board of Directors.





OUR **BUSINESS**

GRI 102-2, 102-4, 102-6, 102-7, 102-15, 416-2, 417-3, 419-1

Our main business is **marketing and distributing inputs to the agricultural industry**. Although this business is already consolidated, we always seek continuous improvement, in order to offer the best

experience to our customers. We have also continuously made progress on our other working areas - **grain origination, biodiesel production, technical assistance and services** (increasingly technological).

Most input and origination customers are small- and medium-sized farmers, who continuously use agronomic consultancy. The synergy between these two areas (input and origination) and the barter model are also differentiating and attractive to **farmers**, an audience that is in the core of our business model.

We have a team of over **60 sales consultants**, all agronomy engineers, who create demand, perform technical assistance services, recommend and monitor the agrochemicals application, monitor crop development, point out possible problems, and provide guidance on pest infestation and other adversities that may cause losses to farmers.

Technical visits are monitored and managed through an application, which helps consultants and customers always find

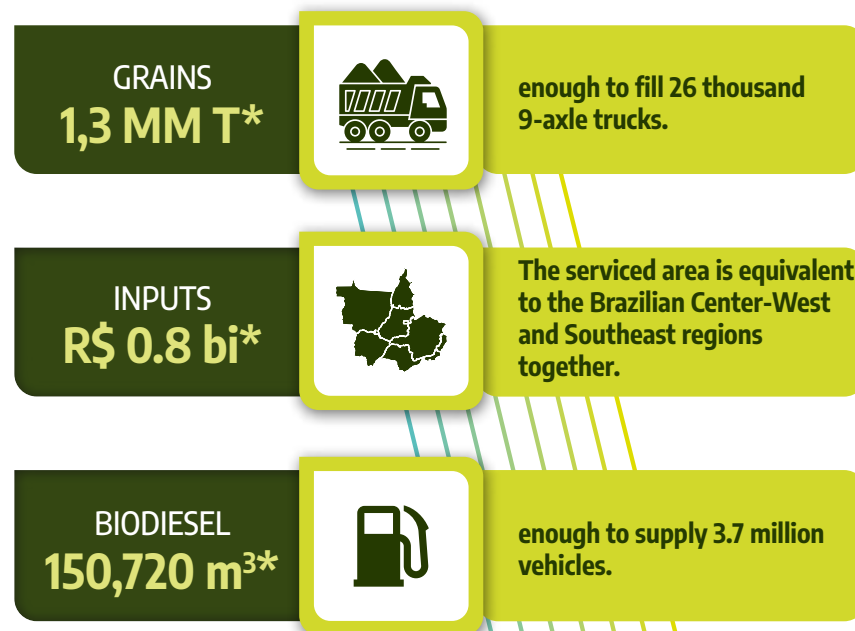
the best technical recommendation. **The interaction between the application and our professionals' expertise contributes to better solutions**, in favor of productivity improving our customers' productivity and profitability.

GRI 103-2 and 103-3: Socioeconomic Compliance, 419-1

In our performance we respect all laws in force regulating products and services marketing and supplying issues. In 2020 we did not have records of non-compliance with laws and regulations in the socioeconomic area, as well as we did not have any representative fine or significant non-monetary sanction for non-compliance with laws and regulations relating to product and service provision and use.

GROSS REVENUE
BRL 3.2* billion

This revenue would place **Fiagril between the 70 companies** with the highest revenue in B3.



* Numbers based on Dec./2020.

CUSTOMER AND CONSUMER HEALTH AND SAFETY

GRI 103-2 and 103-3: Consumer health and safety, 103-2 and 103-3: Marketing and labeling, 416-2, 417-3

In our input operations, we use some materials potentially hazardous that we market (agrochemicals). All invoices are followed by Emergency Sheets and agronomic prescription. The Emergency Sheet is a document supporting all steps that need to be taken in case of any accident or incident with the products.

In 2020 we had no record of accident or incident with products and services in our portfolio and we did not receive any complaints from customers and/or consumers.

We respect all suppliers' and manufacturers' guidelines, as well as the laws in force and aspects of inspection regulating the entire chain.

For example, in 2020 the National Health Surveillance Agency (Anvisa) reassessed the health risks of the active ingredient paraquat, present in agrochemicals, and from

September, it banned its use in Brazil. We immediately collected the product in our branches and in the distribution center and forwarded to the manufacturer.

In input resale operations, we only market finished products, we do not manufacture it. Thus the products that we market do not undergo **labeling**. In origination operations, soy and corn are traded as commodities, and they have no labeling. Finally, the biodiesel we produce is sold in auctions and it is not labeled as well.

In 2020 there was no case of non-compliance with product labeling, communication and marketing laws or regulations.



Below, information about our work areas.

INPUTS

The close relationship with farmers, a characteristic of our working history, supports our inputs business platform, which starts with daily contact with the field. Based on the realization of customers' needs and the input market conditions, we market and distribute **seeds, fertilizers, agrochemicals and special nutrition solutions**, both for the barter model – system in which the farmers receive inputs before and during the crop and make the payment with the products obtained in the harvest – and for direct credit.

Inputs supply is directly linked to our origin and name Fiagril (Fornecedora de Insumos Agrícolas [Agriculture Inputs Supplier] Ltda.). Providing the most adequate conditions for the use of the best inputs and promoting the development of crops and farmers with whom we relate are in our DNA. We follow

the daily life in the field, from activities from pre-planting activities to yield marketing.

Our agronomy professionals daily take, to more than a thousand serviced farmers, the best technologies in the market. This way we contribute to the increased productivity and profitability of crops in the regions where we operate, in the states of Mato Grosso, Tocantins, and Amapá. We are supported by 16 branches, covering a working area of more than 5 million hectares of soy and 3 million hectares of corn. In addition to soy and corn crops, we also provide inputs for cotton, rice, beans and pasture.

We offer the best in:

Seeds

We annually market **more than 700 thousand hectares of seeds** of soy, corn, cotton and forage. We are representatives of the best seed companies in the market and thus ensure the top performance in the implementation of customers' plantations..

Fertilizers

We seek to provide customers with the best nutrition solutions for plants, as well as an adequate positioning to the needs of each property. At each crop, we deliver customers **more than 200 thousand tons of fertilizers and soil improvers** from the largest fertilizer industries in the world, ensuring timely and delivery synchronized with their use in the plantations.

Agrochemicals

Our agronomy engineers seek to assure farmers the **best inputs for crop protection**. Technical recommendations are also based on safety and sustainability aspects. This way we contribute to the harvest success through the correct use and insurance of such inputs.

Special nutrition

We offer a **Special Nutrition Program**, with high-technology products and incorporated innovation in order to ensure the best profitability to customers in their harvests.

We also support our customers with the best **technical assistance** service, providing support for recommendations and decision making, keeping a daily relationship with the property throughout the crop. We work in a tailored way: providing solutions for each property, since crop planning; developing customized input offerings adjusted to the needs of each property; and following the farming and harvesting.

In addition, as we have a **distribution center and input warehouses strategically placed**, our customers feel safe on receiving the necessary inputs according to the need and dates intended for use. Thus we easily and conveniently create value in the offer to our customers.

We also keep our customers connected to **innovations and technologies**, always bringing the best technological and digital for crop solutions. Our consultants are trained to offer a new experience in service, combining relationship, presence in the field, technology and excellence in technical recommendations for customers, considering their different needs.

Our concern also encompasses the **health of everyone involved in the production chain, including the final consumer**. We pay special attention to monitoring product toxicity, and we choose to supply inputs offering the greatest security, both to the environment and to the people in the manufacturing and consumption process. The correct and safe use of agrochemicals is constant in our daily work.

The COVID-19 pandemic brought great challenges to the inputs part and made us search for new ways of being present in the field and in the daily lives of farmers, without losing efficiency in our services. With qualified suppliers, strategic discipline and efficient risk management, we could get through the hard time of the pandemic in order not to harm input supply and assure work quality at the branches.

INPUT SUPPLY

We follow a **strict process for selecting our partners as input suppliers**, in all segments – seeds, fertilizers, agrochemicals and special nutrition. And we always follow national and international market scenarios and monitor their trends. It assures us the best products and technology, ensuring safety in negotiations and customer service, contributing to higher profitability in their crops.

Among the risks that we monitor every day, we pay special attention to changes in prices and exchange rate, so we can make the best decisions in hedge operations, thus ensuring controlled risk and good results for the company and its customers.

Perspectives 2021–2025 – Inputs

- ✓ Commercial expansion to new regions;
- ✓ strengthening of bilateral trade with China, shipping grains and receiving inputs;
- ✓ digital improvement for customer relations processes and use of digital platforms, improving the service menu; and
- ✓ better structure in financial solutions for customers..

GRAIN ORIGATION

We work selling and purchasing soy and corn, as well as receiving grains, standardizing exports, storing and distributing them. With favorable weather, the 2019/2020 crop was a record, and we presented an excellent performance. The increase in marketed soy volume was 30.39%, from 537.21 thousand tons to 700.49 thousand tons. Corn presented even better performance: the marketed volume went from 360.96 thousand tons in the previous crop to 582.87 thousand tons, a 61.48% increase in the volume marketed in the year.

We are acknowledged for our expertise in grain origination in a safe, quick and transparent way. The offer to farmer can be carried out in two ways: **fixed price or price to be fixed.** We also provide grain receiving, shipping and storage services.

Precursors in soy and corn barter operation, we invest in a **close and trustworthy relationship with customers.** This way the farmer can purchase everything they need to plant their crops and keep focused on its specialty: production.

To serve our customers in this area, we count on:

**13**

branches for grain
business

**634**

thousand tons of
storing capacity

**4**

Operations in
strategic cities,
considering location
and facilities to farmers

In 2020, with the **rise in commodities prices**, farmers anticipated their sales, either through barter agreements or fixed price. The corn price presented a strong increase, due to the local need for grain and competition between the animal feed and ethanol markets.

The futures markets mechanism – commitment agreed upon between seller and buyer to purchase and/or sell standardized agreements for physical and financial settlement on a future date (service we offer to our customers) – has great value to farmers, who through such instrument manages to fix the future price of grains and do not need to make margin calls, such as

in commodity exchanges transactions. This way customers do not need to worry and can then focus their efforts on production itself.

China is the biggest global oilseeds consumer and increased its demand for commodities in 2020, as a result of a fast recovery in its economic activity. Another point increasing the demand for grains was the reorganization of the Chinese parent companies, which had undergone a considerable loss with bird flu in 2018/2019. Besides, the recovery in the pork market also had a significant impact on the grains and bran consumption.



LOGISTICS

GRI 102-10

Recognized for **privileged locations and facilities to farmers**, the owned warehouses where we work are in strategic positions in the towns of Sinop, Sorriso and Lucas do Rio Verde, in Mato Grosso, and Silvanópolis, in Tocantins.

A high point of 2020 was the effectiveness in the grain receiving process. Despite of a volume higher than what was planned, we organized the outflow and we managed inventories in such a way that there were no delivery delays. We decentralize the transport service provision, what provided more competitiveness, with freight costs compatible with the market, and we strengthened trade partnerships in strategic flows for the operation, as logistics operators, warehouses and transshipment terminals.



North corridor



South corridor

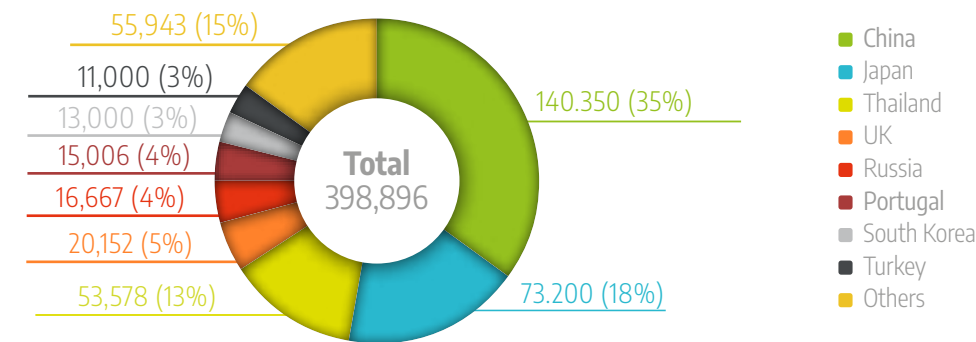


Through the use of a Business Intelligence (BI) tool, we monitor and compare indicators as **cost evolution, performances and orders**. The service platform **Rondonline** monitors vehicle positions in real time, facilitates analysis for input segment, and reduces manual tasks, such as email flow and spreadsheet exchange. This platform also allows for delivery schedule, offering a possibility for sending messages to the end consumer on load position, what led to cargo loss reduction in 2020.

By the end of the year, the loading and unloading truck weighing automation process at Lucas do Rio Verde (MT) and Sorriso (MT) units started. The tool **Smart Saturn** integrates road scales with our system. Through such process improvement, we seek operational efficiency in yard management, access controls and weight recording with automatic data collection.

EXPORTS IN 2020 BY COUNTRY (TONS)

GRI 102-4, 102-6



EXPORTS IN 2020 BY PRODUCT

GRI 102-4, 102-6

Product	Volume exported (tons)	Percentage (%)
Standardized soy beans	290,377,760	73
Standardized corn kernels	92,212,952	23
Hipro Soybean Meal (48% protein)	16,109,995	4
Glycerin	195,670	0
Total	398.896,377	100

Perspectives
2021-2025 - Origination

- ✓ Keep sales growth, with barter mode expansion;
- ✓ provide tools allowing the opportunity for highest returns with the right investment and minimum price, through Barter Ultra, and
- ✓ project our performance expansion in the agribusiness chain..



BIODIESEL

Opened in 2008, our biodiesel plant, located in Lucas do Rio Verde (MT), produces **raw soy, cotton and corn oil-based sustainable biofuel**.

Strategically located in the heart of the largest grain-producing region in the world, the unit has a production capacity of about **202 million m³ of biodiesel per year**, mainly benefiting the regional market. Another differential is the flow capacity: 1,500 m³ per day.

The production is certified with the quality seal **Bio+**, Abiove. Further information on biodiesel.abiove.org.br/qualidade.

In 2020 there was a drastic drop in fuel consumption demand, from the second quarter onwards, due to the COVID-19 pandemic, which put strong pressure on the biodiesel industry. In April our factory was stopped for 20 days, due to the lack of product picking by distributors. However, the increase in fuel consumption improved in the following months, with gradual market recovery, mainly in the second semester. The prices also presented growth, mainly due to the increase in the raw material price (soy oil).

In such a scenario, we produced **150,720 meters³ of biodiesel in 2020**, an increase of 7.63% over the previous year, reaching the second highest benchmark of the last five years.

CLEAN AND RENEWABLE ENERGY

Biodiesel is a clean and renewable source fuel, and we are proud of it. According to the survey commissioned by Abiove, the Association of Soy and Corn Growers of the State of Mato Grosso (Aprosoja/ MT), and Ubrabio, **Brazilian biodiesel produced using soy, if consumed in the country, reduces by around 70% atmospheric emissions in the comparison with diesel, which has fossil origin.**

In December 2020 we started the first tests to **introduce corn oil as a raw material for biodiesel**, which is currently produced on a larger scale with based on soy and cottonseed oil. The goal is to diversify raw materials in order to achieve a more sustainable product and reduce dependence on soy oil. In the same month we started the schedule for the expansion of the factory production capacity; this expansion is expected to take place in 2021, with the goal of overcoming at least 10% of the annual production.

The biodiesel factory laboratory is registered as per ABNT NBR/IEC ISO 17025 Standard. Further information in chapter “Commitment to sustainability”.

Through interaction with the industry (we are partners with Abiove and Ubrabio), we have taken part in of discussions about the implications of the **RenovaBio Program**, which seeks a more sustainable system for the biofuels sector. We are considering joining the program.

AUCTIONS

We understand the dynamic of the auctions is good and makes the end consumer and distributors feel safe regarding price, reducing changes and bringing isonomy among those taking part in competitions. Auctions also include clear penalties for breach of contract, offer tax security and ensure supply quality. The possible end of the system, which has been considered, may decrease transparency and cause uncertainty on taxation.

Perspectives 2021-2025 – Origination

- ✓ Expand diversification of raw material sources different to soy oil;
- ✓ continue the analysis for the construction of a soybean crush plant, putting Fiagril in soy end to end chain, and
- ✓ use barter and pre-financing mechanisms with farmers in order to keep marketing carbon credits – RenovaBio Program.

TECHNOLOGICAL INNOVATIONS

The agribusiness industry has been evolving rapidly and accepting technological innovations available in Brazil and worldwide. It completely changed the way of working and interacting with such a field, mainly since the early 2000s. Since then, the machines used in the crops have become more efficient, precise and automatic, the features most looked for by farmers, currently, in all their activities. Such improvement also had an impact on our way of working, which follows these transformations and offers solutions and tools to facilitate and improve customer's experience.

Considering more recent periods, the pandemic has accelerated **digitization processes**, and we are rapidly following this process, both in using tools and changing our professionals' performance. Such news offers greater effectiveness in the processes, speed, reliability, data standardization and increased employee engagement, as they can dedicate more time to customers and business partners and less time with internal processes.

The market has several mechanisms, applications and software to support this movement, which, in addition to improving results, providing greater efficiency to processes, also bring a sustainable footprint, as the vast majority include intrinsic items reducing displacement of machines and people (reducing fuel consumption), and increased productivity.

Among the innovations, we can highlight **Integra Mais**, an educational portal for employees, with over 300 hours of content, in 50 courses. We also highlight some tools such as: **Agrometrika** (credit and guarantees management); **Terra Magna** (crop monitoring); **Agrodocs** (document management); **Confia Tech** (commerce management, technical recommendations and Agro 4.0 service digitization); and **Agrosatellite** (verification of real-time information for social and environmental compliance).

All farmers' areas and productions we finance are monitored using one or more types of tools with satellite imagery, whether for social and environmental compliance purposes or to support technical recommendations when applying inputs or even to stimulate productivity and monitoring crops, aiming at credit risk mitigation.

Currently, there are more than 500 thousand monitored hectares in the regions where we work, with intensive image update and constant improvement in their quality. We are even expanding the base of the monitored areas, as well as adding new features in each of the tools, towards full digitization.

Perspectives 2021-2025 – Technological Innovations

- ✓ Effective implementation of Agrodocs and DocuSign tools;
- ✓ 100% digitization of the analysis and credit and guarantees granting process and
- ✓ development of new features in Trust Tech platform.



PEOPLE MANAGEMENT

GRI 102-7, 102-8, 102-15, 102-41, 103-2 and 103-3: Employment, 103-2 and 103-3: Training and education, 103-2 and 103-3: Diversity and Equal Opportunities, 401-1, 401-2, 401-3, 404-1, 404-2, 404-3, 405-1, 407-1

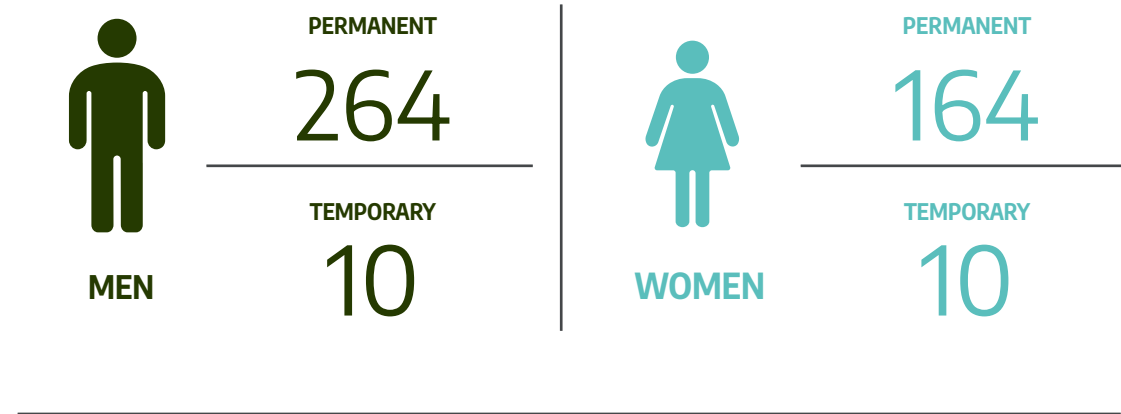
Good results take place not only based on the quality of our products and services, but mainly because of the performance of people committed on a daily basis, in line with our Purpose and with the Values we stand for.

We are incessantly looking for a collaborative, productive and inclusive work environment. We continuously invest in people and encourage continuing education and the training of our professionals.

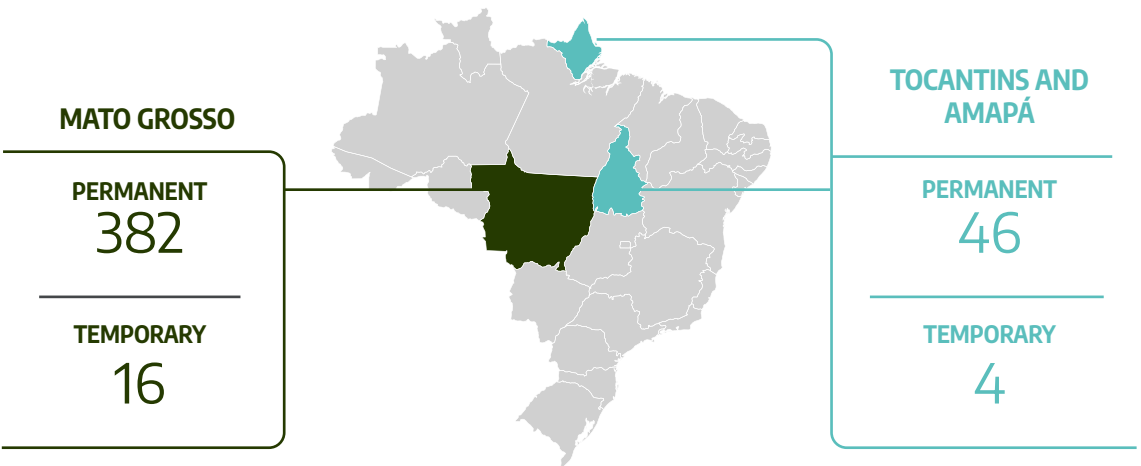
We have a **People Management Policy**, a document setting responsibilities and guiding our practices related to the company’s personnel and management.

We closed the year with **428 permanent employees and 20 temporary ones**. We can see below some figures related to our employees:

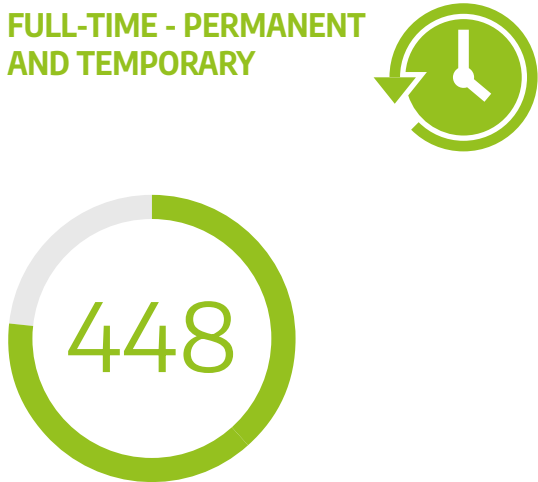
NUMBER OF EMPLOYEES BY GENDER AND EMPLOYMENT CONTRACTO



NUMBER OF EMPLOYEES BY REGION AND EMPLOYMENT CONTRACT



NUMBER OF EMPLOYEES BY JOB TYPE



PART-TIME - PERMANENT AND TEMPORARY



Note: Throughout 2020, from the 20 temporary workers, 12 acted between January and March and 8 in June and July.

NUMBER OF NON-EMPLOYED WORKERS

Product	Number-employed
Entrance and security	39
Cleaning and maintenance	9
General services in warehouses	168
Total	216

NUMBER OF EMPLOYMENTS, DISMISSALS AND TURNOVER*

Total dismissed - MT	Men	Women	Up to 30 y/o	From 30 to 50 y/o	Older than 50 y/o	Turnover/ year (%)
50	26	24	33	16	1	13.09

Total dismissed - TO and AP	Men	Women	Up to 30 y/o	From 30 to 50 y/o	Older than 50 y/o	Turnover/ year (%)
5	3	2	4	1	0	10.87

* Note: The information in this table considers the voluntary turnover for calculating rates

Total admitted - MT	Men	Women	Up to 30 y/o	From 30 to 50 y/o	Older than 50 y/o
150	80	70	107	40	3

Total admitted - TO and AP	Men	Women	Up to 30 y/o	From 30 to 50 y/o	Older than 50 y/o
17	9	8	11	6	0

MATERNITY LEAVE AND PATERNITY LEAVE

GRI 401-3

Indicator	Men	Women
Employees entitled to the leave	264	164
Employees who took the leave	9	8
Employees who returned to work after the end of the leave	7	4
Return rate (%)	64.70	
Employees who returned to work and keep employed	7	4
Retention rate on those who returned (%)	100	

CARING FOR PEOPLE DURING COVID-19 PANDEMIC

The safety of all employees is a priority at Fiagril, and this priority was even more evident in 2020. Agribusiness was an industry that did not stop during the pandemic, and our concern was always having a safe environment for our employees, especially those who continued to work in person, servicing farmers and in fieldwork.

Corporate employees started a work-from-home system already in March 2020. The branch employees continued working in person, with everyone taking care as recommended by the responsible health bodies and following our internal protocols.

Considering the need to make work processes safe and restrict face-to-face activities to an essential level, we accelerated the transition to the company's digital **transformation**. All internal meetings and professional training started to be carried

out online, which was a challenge for our employees, since they are distributed through different states. Despite the initial difficulty, with the support of the leaders, we were able to engage all for using digital tools, and we reached the adaptation goal in a short time.

Prioritizing support for employees and their families, we created a support program, the **Mais Saúde** [More Health] **Program**, which promoted lectures with experts about different topics related to physical and mental health, yoga and meditation classes and availability of a toll-free phone line, within the **Employee Support Program**, with 24/7 psychological care, counting on referral to professionals for continuing therapy sessions. In addition to psychological support, the program offers legal and financial consultancy.

Within the Mais Saúde Program, we also have the **MovimentaRH [HR Move] Program**, a small group formation online project with employees from different cities where we work. The goal was to share impressions on the impact of the pandemic on everyone's emotional health and exchange experiences about the moment we were living, and thus to be supportive of each other.

For employees who got COVID-19, we were thoroughly present to ensure the maximum of their **physical and emotional recovery**. Within such process, we mapped the ICUs in the regions where we work and designed strategies for acting quickly in case of need to transfer any employee or family member. Every week we communicated with all the staff, to monitor how they were going through the moment and if there was any need the company could help them.

We have followed **strict protocols for preventing COVID-19**. Early on the pandemic, we tested all employees. With the return of the corporate team to face-to-face work, we tested them again and strengthened other security measures, such as distance between workstations, daily sanitation and the mandatory use of masks, with change control every two hours, with computer alerts support. We provide the masks and extend the concern to family members, providing children masks for employees' children, as well as COVID-19 tests, when needed.

We closely monitor all employees having any symptoms and, as prevention, reinforce all safety measures in the Safe Dialogues (DSS), which take place weekly in all branch.

WE PRIORITIZE CARING FOR OUR EMPLOYEES AND COMMUNITIES

IN COMMUNITIES

We understand we are also responsible towards the communities located in the regions where we work and, in a moment so hard as the pandemic, we need to collaborate so all those who need assistance are serviced.

This way we carried out guidance and prevention actions, distributed 860 children masks to places like orphanages and schools, and donated 100 food baskets to institutions in Lucas do Rio Verde (MT), 10,000 masks for the “Conexão do Bem Daycoval” [Daycoval Good Connection] campaign and 1,500 disposable aprons to hospitals in Cuiabá. We also made donations to Hospital São Lucas, in Lucas do Rio Verde (MT), for purchasing air devices.



HUMAN RESOURCES PRACTICES AND HUMAN DEVELOPMENT

The yield of the effort aimed at the employees' well-being was realized through the results of the **engagement survey** carried out in a partnership with the company Korn Ferry, which in 2020 showed an increase of 12 percentage points in the level of employee satisfaction in comparison with the previous survey: from 57% to **69%**.

Seeking to provide conditions for employees to achieve their personal and professional goals, **our organizational human development management** covers actions in: **attraction, recruitment and selection; organizational development; and compensation and benefits**. It contributes to creating results and boosting the company's business.

Thinking about making these actions even more effective, in 2020 we implemented **SAP SuccessFactors**, a new **people management portal** developed to help employees' careers development and management. With several modules, implemented in stages, which should be extended throughout 2021, the tool allows for the management and monitoring of goals,

competency assessments, creation and monitoring of Individual Development Plans (PDI), formal feedback registration, as well as succession maps, calibration committees and 9box. In addition to it, from 2021 onwards, each employee should have access to a broad **training portfolio** through the **LMS module**.

RECRUITMENT AND SELECTION

SAP SuccessFactors also manages recruitment and selection actions, innovating and making the hiring process more flexible. On the platform, candidates can check the guidelines for the position and apply to it, in addition to having the opportunity to register their resumes for future opportunities.

TALENT RETAINING

Talent retention is a set of strategies, policies and practices we adopt to keep employees engaged with the company's goals. Among the actions there are benefits, organizational environment initiatives, reinforcement of the company's culture, training and development actions, and opportunities for growth in the company.

BENEFITS

GRI 401-2

The well-being of employees is a priority for us. Choosing the benefits offered by the company is something designed to help the quality of life of our professionals and their families. The main benefits offered in 2020 were:

- **Medical and hospital assistance:** granted to employees and their dependents, trainee and paid interns, with co-payment of medical appointments and exams. It can be extended to the spouse and children under the age of 21 (if students, up to 24 years).
- **Dental care:** a comprehensive plan for appointments, emergencies, prevention and other procedures, extendable to the spouse and children up to 21 years old (if students, up to 24 years old). This benefit is optional, and it may or may not be hired upon admission.
- **Group life insurance:** plan in the value of 24 times the monthly salary of each employee, for coverage of natural death, and with capital doubled for accidental death. Benefit extendable to the spouse and children older than 14 years, with the insured capital for the spouse being 50% of the compensation amount and for children, 10%, limited to BRL10 thousand. The funeral service is also provided, with payment of expenses, up to the amount of BR5 thousand (valid for spouses and children).
- **Food or meal tickets:** proffered through a food card, for use in supermarkets, or meal card, for use in restaurants. The choice between both options is at the discretion of the employee. At the factory, in addition to the card, the internal restaurant is available at no cost to the employee.
- **Drug Store Card:** for purchasing medicines, valid in a wide network of drug stores, allowing for payroll deductions.
- **Employee Support Program:** launched in 2020, it is a toll-free call center, through which employees and their dependents have access to specialized guidance in several areas, with complete secrecy. If needed, the employee can be forwarded for a face-to-face service for free.
- **Annual Profit Sharing:** conditioned to meeting pre-set business goals and individual performance assessment of the employee.
- **Christmas card:** card distributed to employees in December, with value and target audience reviewed annually.
- **Breakfast:** the headquarters and branches offer breakfast for all employees for free.
- **Gifts for newborns:** employees who become parents receive a customized children's bodysuit for celebrating the arrival of the child.



COMPENSATION

We have a **Compensation Policy** and a **positions and salaries structured plan**, updated with support of specialized consultants, focusing on the duty performed, not the professional. We follow market practices and observe trends, to ensure that the compensation is competitive.

In addition to salary compensation, we count on the **Profit Sharing Program (PPR)**, where all employees collectively contribute to achieving goals, which can be assessed according to their individual contributions.

ASSESSMENT GRI 404-3

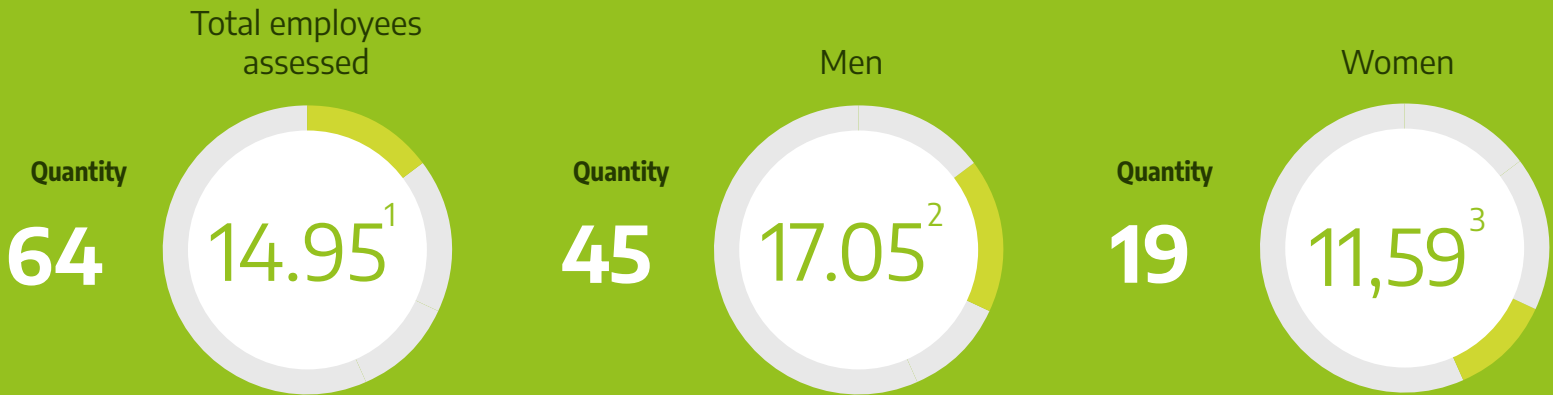
Assessment is important for self-development and personal and professional evolution. In addition to self-knowledge, the employee can understand the differences between people profiles, what should help them achieve results faster and with greater resourcefulness.

In this process, the employee gets to know a set of tools, face-to-face and online ones, which assess behavioral profile, emotional intelligence, learning skills and development degree in face of the company's competencies.

In 2020, we carried out 64 leadership assessments, providing employees with feedback for structuring their Individual Development Plan (IDP).



TOTAL EMPLOYEES ASSESSED



- 1. Percentage over the total employee population.
- 2. Percentage over the total male employees.
- 3. Percentage over the total female employees.

TRAINING GRI 404-1, 404-2

Together with the business areas, the organizational development actions facilitate designing and implementing solutions for the main business and employee challenges, seeking to attract, retain, train and develop people, through different programs and initiatives.

In 2020, due to the limitations of social distancing, the trainings were offered, for the most part, online (but also “live”), for greater interaction and use of content, and for more safety as well.

It is important to highlight the following programs:

a) Leader School

Technical and behavioral guidance for management positions, with development actions aligned with the company’s strategic goals. The development actions are offered for all leadership positions (officers, managers, coordinators, supervisors), and their modules are held in a hybrid way (face-to-face and online) for everyone.

b) Succession Program

Internal knowledge transfer solution, for management training, aims at developing possible successors for management positions, with focus on increasing competitiveness and improving results. The goal is training employees to assume leadership positions when needed. The program includes workshops, training, practical monitoring, discussion meetings, meetings of leaders (board, regional management, model management), everything online. It is comprised of agile and flexible methodologies that drive

leaders in deep discussions about Fiagril in its micro and macro context and train them for strategic management with a continuous, dynamic and results-oriented process.

c) Raízes [Roots] Program

Training aimed at the Commercial Technical team, with modules interspersed between technical improvement and commercial development, seeking building a high performance team that can achieve results for farmers, through productivity increase.

d) Trainee Technical Consultant (CTT)

The program’s target audience is newly graduated people from Agronomy Engineering, Agronomy, Agronomic Sciences and similar degrees who join the company through the selection process in order to work in the Technical and Commercial area. We value practical experience and we provide opportunities for activities prioritizing the development of activity plans and development that meet the characteristics and challenges in the Business area. In 2020 we hired 75% of applicants.

We also highlight other initiatives, with character general:

- **GerminaRH:** technical training for young trainees, through attraction actions and monitoring actions and socio-educational activities, and
- **Safra de Talentos [Talent Crop]:** action aimed at interns and trainees, to provide real corporate experience.



Main figures:

In this year we recorded a total of **20,890 hours** of training; and

the average training per employee was **49 hours**.

DIVERSITY GRI 405-1

Diversity is a much debated subject in our company, and we understand it is very important. We seek to value and promote the topic in our work. In the daily activities and initiatives, **we are all responsible for it.**

Valuing differences and guidance for inclusion are part of our thinking, since inclusion values and recognizes differences and similarities.

We count on the **IncluiRH Program**, which channels actions for respecting diversity and equity on topics such as race, age, gender, culture, sexual orientation, disability and ethnicity.

TOTAL EMPLOYEES BY AGE AND ROLE CATEGORY

Role category	Up to 30 years old			30 to 50 years old			Older than 50 years old			General		
	W	M	T	W	M	T	W	M	T	T	W	M
Board	0	0	0	1	4	5	0	0	0	5	1	4
Management	0	2	2	3	16	19	0	3	3	24	3	21
Supervisor	3	1	4	9	9	18	0	3	3	25	12	13
Coordinator	1	0	1	3	5	8	0	0	0	9	4	5
Attorney/ Nurse/ Consultant/ other	2	28	30	6	36	42	0	1	1	73	8	65
Analyst	11	7	18	23	13	36	0	0	0	54	34	20
Assistant/ Auxiliary/others	43	51	94	36	59	96	9	22	31	221	89	132
Trainees	14	4	18	0	0	0	0	0	0	18	14	4
Total	74	93	167	81	142	224	9	29	38	428	164	264

W = Women M = Men T = Total

EMPLOYEE RATE BY ROLE MACROCATEGORY (%) GRI 405-2

Audience	Female rate	Male rate
Executives	13	87
Managers	13	87
Operations	19	81
Other professionals	38	62
General total	27	73

COLLECTIVE AGREEMENT

GRI 102-41, 103-2 and 103-3: Employment, 103-2 and 103-3:

Freedom of association and collective bargaining, 407-1

In 2020 we had no record of employees associated to unions; 100% of the employees are covered by the Collective Agreement or Collective Bargaining, as provided for in the last Labor Reform.

In daily work we keep a regular relationship with representative unions of the categories of our employees, and we support the free union association by employees, service providers and suppliers.

One of the company's principles regarding labor rights address exactly freedom of association and effective recognition of the right to collective bargaining, what is present in our Code of Ethics. In addition, we have an Ombudsman channel for any report.

OCCUPATIONAL HEALTH AND SAFETY

GRI 403-1, 403-2, 403-3, 403-9

The health of all employees is a priority for Fiagril. We seek to ensure bodily integrity and health preservation for those who work with us on a daily basis. The continuous improvement of actions addressing safe behavior contributes to increasing occupational health and safety maturity.

GOLDEN RULES

One of the performed initiatives was the development and implementation of the **Golden Rules**. This initiative aims to prevent damage to people's health and strengthen the safety culture. They are minimum rules that should be followed by all employees and service providers in all units. They are:

1st

Defensive driving: driving vehicles and equipment complying with traffic and safety laws;

2nd

Drugs and alcohol: going to work without influence or possession of illegal drugs or alcoholic drinks;

3rd

Accidents and incidents: immediately reporting accidents and/or incidents to the immediate superior;

4th

Health and Safety Policy: faithfully complying with our Health and Safety Policy;

5th

Mobilephone: not typing on the mobile phone while moving, and

6th

Organization and cleaning: keeping working places clean and organized, as it minimizes accident and occupational diseases risks, improving productivity and quality of life.



OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

GRI 103-2 and 103-3: Occupational health and safety

Thinking about health preservation and labor accident reduction of work accidents, we count on our Occupational Health and Safety Management System, through which occupational health and safety actions are systematized, aiming at standardization activities and improving processes. The system works as a base for evolving occupational health and safety cultural maturity in the company.

Through this system, we keep control and monitor employees' health. We take special care when controlling absences and disseminating good health practices. Over the last two years there was no diagnosis of occupational disease in the company.

However, more than reducing the frequency rate of accidents and absences, the program has a greater goal: to develop the prevention and life preservation culture, through raising employees' awareness and changing

behavior. The work is done together with managers, for monitoring and evolving actions.

In order to strengthen employees' bodily integrity preservation and culture, we offer several trainings, with multiple purposes: compliance with the laws in force, including Regulatory Standards (NRs); knowledge and qualification for developing activities; increase in process productivity and efficiency; rising levels of service availability and quality; interaction between work team members; and moreover, preserving lives. Trainings are offered according to the activities and the respective risks for each employee.



Work accidents

In 2020:

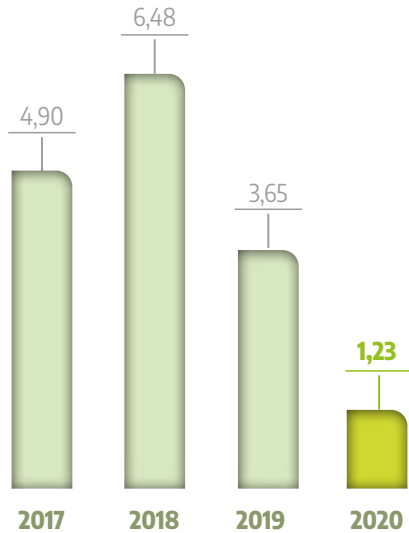
There were
807,951
working hours;

we recorded one single
accident, without severe
consequences; and

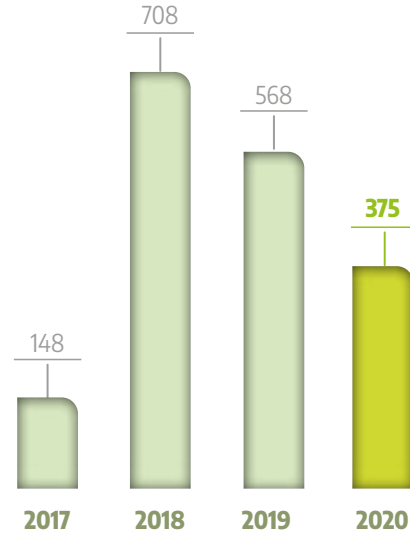
we did not record
any deaths.

ACCIDENT FREQUENCY AND SEVERITY RATES GRI 403-9

FREQUENCY RATE



SEVERITY RATE



Our Accident Frequency and Severity Rates have shown a dropping trend over the last three years, which proves the properness of our occupational safety strategies and actions.

Perspectives 2021-2025 – People management

- ✓ Settle the competency gaps: build skills needed for company growth
- ✓ develop and keep a culture focusing on integrating people and driving engagement
- ✓ innovate employee's experience
- ✓ seek adaptations and implement artificial intelligence in Human Resources processes
- ✓ promote interests alignment between the company and the employees
- ✓ enhance leadership strengthening, and
- ✓ strengthen the occupational health and safety culture.



SUPPLIER MANAGEMENT

GRI 102-9, 102-11, 102-15, 103-2 and 103-3: Procurement Practices, 204-1

We work with a wide range of suppliers. Our **main suppliers** are industries that manufacture national or imported agrochemicals, fertilizers and micronutrients, in addition to farmers and seed multipliers.

In order to optimize logistics and the reasonable use of fuels, we prioritize suppliers having regionalized distribution centers in the states where we concentrate our action (Mato Grosso and Tocantins). In 2020 **83.79%** of the products, services and raw materials received by us were sourced from **local suppliers**.

We make business with suppliers that work with high-end products and state of the art technology. Another key principle is **they should be engaged with our commitments** to sustainability, as well as they can help us promote actions in this regard throughout the chain.

The main companies supplying products to us are: Syngenta, ADAMA and Nortox, in the chemical area; Mosaic, Fertilizantes Tocantins, Cibra Fertil and Fertgrow, in the fertilizers area; ATTO Sementes, Limagrain and NK Sementes, in seeds part; Union Agro, in micronutrients area; and Koppert, biological product portfolio.

As a quality assurance and precautionary measure, **we work and market products from reputable brands and companies, known in the market, and which meet legal requirements to operate according to the standards in force in Brazil.** The products are all duly registered with the Ministry of Agriculture, Livestock and Supply (Mapa), comply with environmental and security laws, are controlled in batches, accompanied by technical letters signed by qualified and verified professionals at certified laboratories.





ENVIRONMENTAL MANAGEMENT

GRI 102-15, 103-2 and 103-3: Materials, 103-2 and 103-3: Energy, 103-2 and 103-3: Water and effluents, 103-2 and 103-3: Effluents and waste, 103-2 and 103-3: Environmental compliance, 301-1, GRI 302-1, GRI 303-1, 303-2, 303-3, 303-4, 303-5, 306-1, 306-3, 306-4, 306-5, 307-1

In our social and environmental management, we prioritize monitoring and impact mitigation actions and strategies, in addition to social and environmental awareness. **We have a Sustainability Policy**, which is being updated.

Aiming at complying with the environmental laws in force and mitigating social and environmental risks, we have all the **environmental licenses** relating to our operations.

In 2020 we did not receive fines or sanctions for environmental damage and there were no non-compliances with environmental laws and regulations.

With regard to management, use and initiatives related to environmental resources and items information, we have the following information.

MATERIALS CONSUMPTION

GRI 301-1

In our biodiesel plant, over time we have deactivated boilers, and this way **we stopped burning wood waste**. We started to buy steam from a neighboring company, which has a corn ethanol plant located close to our industrial unit, optimizing natural resources for producing biofuels. The steam generated in the neighboring industrial plant goes to our factory through piping.

CONSUMED MATERIAL, DESCRIBED BY WEIGHT AND VOLUME – BIODIESEL UNIT

Description	Unit	Quantity	Source
Wood waste		-	-
Soy oil	ton	128,801.26	renewable
Cotton oil	ton	7,946.41	renewable
PTSA ¹	ton	1.5	non-renewable
Methanol	ton	12,945.88	non-renewable
Sodium methylate	ton	2,126.67	non-renewable
Hydrochloric acid	ton	1,377.01	non-renewable
Phosphoric acid	ton	633.87	non-renewable
Caustic soda	ton	1,476.22	non-renewable
Fatty acid	ton	0.15	non-renewable
Nitrogen	ton	256,765.24	non-renewable
Nitrogênio	m ³	256.765,24	não renovável

1. p-Toluenesulfonic acid.

ENERGY CONSUMPTION

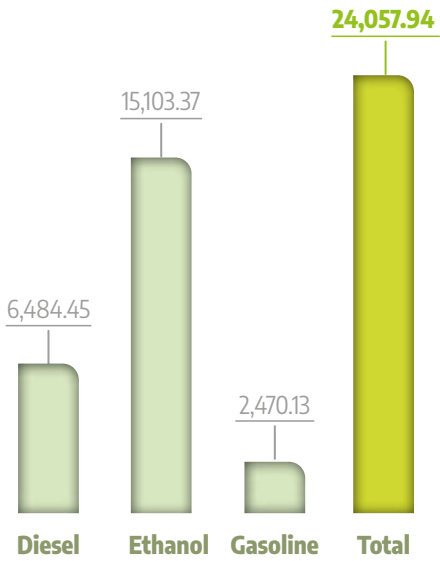
GRI 302-1

Regarding energy consumption in the company, we highlight:

- **Vehicle fleet** – aiming at a lower greenhouse effect gas emission and prioritizing a clean energy mix, most of our vehicles are flexible-fuel. We guide our employees on using ethanol as a fuel. In 2020 our fleet had 115 vehicles.
- **Power** – The power consumed by the branches comes from the local distribution network.
- **Steam** – We use steam from the company FS Bionergia, as mentioned above, which has an industrial plant close to our biodiesel factory.
- **Wood for grain drying** – The origination branches use wood as the power source for heat generation. In the warehouses of Lucas do Rio Verde Sorriso and Sinop, in Mato Grosso, wood waste is used, market within the state competent body system (CC-SEMA), which assures product traceability, this way ensuring it does not come from illegal deforestation. In the origination branch in Silvanópolis (TO) we use eucalyptus as a power source for drying grains.

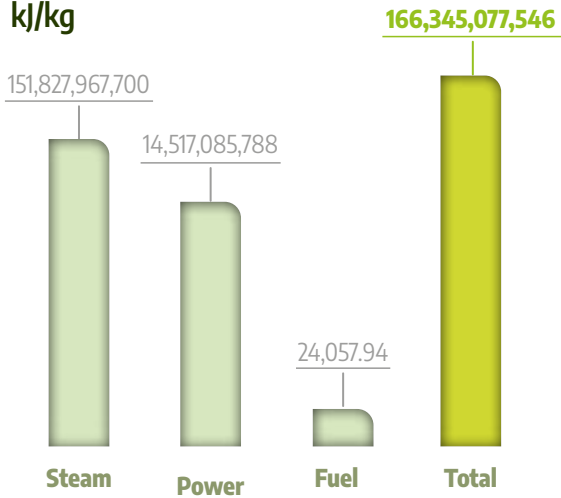
FLEET CONSUMPTION

Kilojoules/kilograms (kJ/kg)

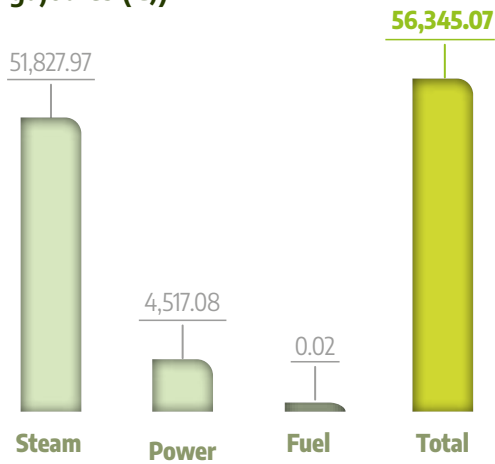


TOTAL POWER CONSUMPTION
(BIODIESEL FACTORY, BRANCH AND VEHICLE FLEET)

kJ/kg



Gigajoules (GJ)



Note: For the origination branches in Mato Grosso we used **5,782.94 m³** of local wood waste as power source, and for the origination branch in Tocantins **978.24 m³** of eucalyptus chips were used for such purpose.

WATER RESOURCE MANAGEMENT

GRI 103-2 and 103-3: Water and effluents, 103-2 and 103-3: Effluents and waste, 303-1, 303-2, 303-3, 303-4, 303-5, 306-1, 306-3, 306-5

At most of our units, water harvesting comes from the local water distribution system. In some of our branches we have wells.

All wells are duly regulated and authorized before the relevant bodies, either through granting documents or registration, depending on the water volume to be harvested. We keep a monthly consumption record, reading water meters set in the wells.

In addition, we annually analyze the water from the well, thus certifying its drinking quality. In case any parameter does not comply with the recommendations, we take the relevant measures for settling the problem.

At the units where water is provided by the local system, the local/company water system itself offers the monthly consumption and the drinking quality analysis.

In 2020 the total water consumption in our units was **114,236 m³ (or 114.2 megaliters)**.

Regarding **water collection**, it takes place through septic tank.

At the biodiesel factory, which uses water for its production process, there is no reusing in the process, but the water undergoes the due treatments and analysis and later it is used for fertigation.

EFFLUENTS

The effluents generated in the biodiesel production process undergo analysis and treatments, with two primary decanters, one equalization tank, one floater with chemicals added, and six stabilization ponds. After undergoing such process, the effluents are forwarded to the fertigation system in the energy sugarcane crop (genetically modified sugarcane). In 2020 we had a volume of 158,400 m³.

This way organic nutrients in the effluents are set in the culture in the proper amounts and proportions, as per the soil analysis. They then have the same role of chemical fertilizers. When needed, we carry out a complementary chemical fertilization.

We monthly analyze the effluents generated in the industrial production process. Twice a year we perform chemical and physical analysis of the soil in the water where the effluent is applied, in addition to the maintenance of the proper practices for controlling erosion and other conditioning recommended in technical opinions.

In our operations, there is no effluent disposal to bodies of water. In 2020 we had no significant leaking as well.

WASTE MANAGEMENT

GRI 306-4

We collect waste in all our branches and disposal of them in a responsible way, as follows:

- The hazardous, contaminated and electronic waste is forwarded to companies specialized in collecting and disposing of them;
- recyclable waste is sent to recycling facilities, improving the local recycling cooperatives work;
- for agrochemical packages, we use reverse logistics. This way we partner with the empty package receiving central in each town where we work and guide our customers for sending such packages to them, and
- the internal generation of other types of waste at the branches is minimum; when it takes places, they are forwarded to the local collection system.

The contaminated waste generation in our units is minimum. For this reason collection is carried out annually, and in case of the bio-diesel factory, every two years. The collection, transportation and final disposal of such waste are carried out by an outsourced company, which works as per the laws in force.

The waste is classified as per BNR 10,004/2004 standard, and, depending on its classification, it is finally disposed of. All companies performing the external waste treatment have licenses as per the final disposal and type of waste.

We should finally add that, through monitoring the waste amount generated and mapping the processes, we develop actions for sensitizing team works, which can act to reduce waste generation at its source. This way we can control and reduce environmental risks and ensure the correct handling and final disposal, as per the laws in force





ECONOMIC AND FINANCIAL PERFORMANCE

GRI 102-7, 102-15, 102-45

ECONOMIC AND FINANCIAL
MANAGEMENT

GRI 103-2 and 103-3: Economic performance

Our financial management is guided by our business plan, developed by the company and ratified by the shareholders through the proper approval in a meeting. Such a plan is annually supported by the annual budget.

The annual budget is built to give room to the metrics expected for each business unit, either quantitative or qualitative ones (example: gross margin growth, income, marketed volume, among other topics). Once they are set forth, such parameters refine the result expected for the period, which should be assessed and monitored on a monthly basis. The proposed and set

budget is monthly followed by a forecast (adjusted budget).

We also check the budget compliance for the year through the internal team working, which follows the different cost items and areas, aiming at analyzing whether the values spent are in line with expectations.

The financial indicators set by us as relevant – liquidity rates, EBIT/EBITDA, ROE, gross margin, income, net income, net profit, among others – are individually analyzed by business area, due to the particularity of each one of them, and in a consolidated way. Each of the areas presents specific needs for it financial performance.

Regarding the **cash flow management**, we adopt analytical procedures with each area, observing their different particularities. As we are in a segment subject to bad weather, there are actions for following payment and receiving performance so as to reflect our branches as a whole.

Another relevant factor with possible impact is the exchange exposure management, which, in case it is badly managed, can bring an adverse economic situation. For this reason we use exchange and commodities hedge mechanisms so as to be minimally exposed to market indexes, ensuring the expected financial result.

With respect to our **indebtedness**, we work intensively and very close to the greatest financial institutions and suppliers, always seeking a sustainable relationship, which can promote long-lasting interactions and profitable business for both parties. We look forward to be within indebtedness levels as per the industry average.





2020 OVERVIEW

In 2020 the emergence of the **COVID-19 pandemic** has negative impacts in the financial market, causing retraction and reduction in the credit lines, mainly from April to May, what directly affected agribusiness throughout the first semester. During such period, we had to review our business plan and develop new strategies, what made us significantly reduce the volume of inputs in comparison with what we had projected and expected in our budget before the pandemic.

Despite the initial impact, in the **second semester** there was a **gradual recovery** in the market, what, together with the concern on food security, rapidly increased the global demand for commodities. Brazil, as it holds a top position in global supply in some of these products, benefited from it. This scenario encouraged farmers to invest in technology, so still in 2020 we could recover great part of our sales.

The financial market, on its turn, followed such trend, providing an increase in credit liquidity, which we also used in our favor. While industry, retail and services presented issues due to the low consumption, the agribusiness market, considered an essential activity, had a strong recovery.

One of the drivers of this recovery was the promotion programs launched by the federal government and the Investment Guarantee Fund (FGI), with guarantees from BNDES, which benefit our business. In addition, there was an increase of financing agents that were not used to work with agribusiness, and the interest rate dropped, bringing positive financial results for the company. It allowed us to **close the year with an income higher than the previous year**, even in so peculiar a year.

By the end of the year, completing the recovery moment, we issued **BRL115 million in CRA**, in December 2020. It was

our first own issuance in the capital market, seeking the best strategy for benefiting from the liquidity moment.

In the **tax area** there was an extension of the tax due dates and certificate maturities, as well as the access to tax bodies was eased, with service digitation of several matters, what leads to time and resource saving. We forecast some challenges for 2021, such as discussions on Tax Reform and the risk of not renewing the ICMS 100/97 Agreement, which can lead to an increase of the tax load in the agriculture and livestock input operation.

The tax reform has been expected for a long time, and it is a theme widely debated. There are three different projects for discussion, but there is no definition on the matter. For this reason we cannot estimate possible impacts yet. We are paying attention to the evolution of this subject.

MAIN RESULTS

GROSS INCOME

Our gross income for 2020 grew 27.26% in comparison with 2019, reaching a gross margin of 17.7% (gross profit on net income), compared to 8.7% assessed for 2019 fiscal year. Such increase is mainly due to the appreciation in the commodities (soy and corn) price, to the positive impact of the exchange on the sales made in dollars, the better commercial and financial conditions in agriculture input, grains and oils

purchase, and the improvement in the mix and portfolio (business units, categories, products, and customers) management.

For 2021 we expect to have a gross income of BRL3.2 billion, which represents an **increase of 42%** in comparison with 2019, impacted by the expansion in the main business of the company, which will continue to grow.

NET INCOME

Our net income in 220 grew 24.8% in comparison with the previous year. Such a result shows the properness of our strategies and financial and operational management, considering all problems in so atypical a year.

Fiagril Ltda.'s **Financial Statements** are consolidated with Agrilex Ltd.'s ones, with the latter being a completely-owned branch. Our financial information is audited by KPMG.



NEAR FUTURE OPPORTUNITIES AND CHALLENGES

GRI 102-15

For us, 2020 was a true turning point. We ended a cycle and **started 2021 in a new phase**, characterized by a greater focus on sustainable growth for the next years, optimized by the strategic and long-term point of view.

From now on, we should be focused on the **company's growth** – organic and inorganic one –, guided to take new expansion opportunities.

In order to materialize such position in concrete actions, we need to **expand new technology spread and distribute them in the business chain and processes**, being beneficial to our customers and the stakeholders of the ecosystem, expanding our value creation and positive impact. We also intend to reinforce **sustainability aspects and principles insertion** in all our activities, operations and processes. We also wish to increasingly contribute to the **regional development of the places where we work**, taking technology and innovative solutions that can contribute to their socioeconomic conditions.

We highlight the start of this movement by launching **our new brand, which translates our current identity, related to farmers** in a more intense, light and technological way. In addition, we show even more our relation to the land, emphasizing the company's tradition with deep local roots, but connected to the national interests and prepared to help with global needs.

It made us devote to **new opportunities**, and we want to achieve them as soon as possible. The **geographic expansion of our operation** to agriculture board regions is part of this analysis, so we can have a relevant role in regional development and local farmers' life in more regions. In addition to it, we understand there is room and moreover need for the work of large-sized input distributors in such places



Looking for carrying out barter, we recently launched a new tool in the market, aiming **at helping our farmers to increase their earnings**, strengthening our work with the further development of the field to small- and medium- farmers. It is **Barter Ultra**, which will give room to our customers to take part in the increase in the prices of their commodities delivered as payment for input exchange.

Example: after fixing the soy price, we guarantee minimum prices (call strike) to the farmer. With Barter Ultra, we should also offer the opportunity for farmers to take part in a possible increase in the prices (call spread). This way in case prices are reduced, farmers have the fixed price guaranteed; in case prices rise, they should receive the difference between the fixed price and the one on the effective delivery date.

Another item we understand as a relevant opportunity relates to **grain industrialization**, adding more value to the product and creating employment and income in the regions where we work. For

this reason we are currently studying to expand our industrial capacity, both for manufacturing biofuels and its derivatives and direct grain industrialization.

As another working area, we want to **increase and optimize our relationship with other stakeholders**, such as banks and input suppliers, so as when increasing our interaction with them, we can improve our prices for purchasing inputs, as well as obtaining credit, among other points. In such context, we cannot forget to **keep and continuously perfect the risk mitigation level** in our operations.

We shall also continue to **advance in innovation, processes and technologies in our services in 2021** and the next years, in order to seek new possibilities and opportunities. The progress already achieved was described in chapters “Commitment to Sustainability” and “Our Business” of this report.

A great challenge as well is **growing in a sustainable and permanent way, considering the compliance with good**

practices, rules and environmental standards. This challenge is even greater when it comes to working in regions with delicate biomes, such as cerrado and the Amazon, for example



No doubt such opportunities considered together should increase our financial performance, allowing us to improve our social role before communities – promoting employment and income creation – and valuing our employees, as well as it should increase the results for shareholders. All of that should not take our focus from our working principles, traditions, Purpose and Values, what certainly will be a challenge deserving our attention.



GRI INFORMATION

This table presents the material topics and their relation to the GRI Standards. In addition, it defines where the impacts related to them are.

GRI 102-46, 102-47, 103-1

Pillar	Topic	Description	2020 Materiality	Theme	Core Standard Disclosures	Material topic impact	
						In the company	Out of the company
Economic Strategy and Performance	Governance, ethics and compliance	Governance structure, policies, processes and controls to avoid and mitigate corruption cases.	1 st	GRI 205: Anti-corruption 2016, 307: Environmental compliance 2016, 415: Public policy, 419: Socioeconomic compliance 2016	205-1, 205-2, 205-3, 307-1, 415-1, 419-1	X	X
	Economic performance and transparency with the capital market	Strategic management, results and communication with the capital market, aiming at transparency and access to resources.	2 nd	GRI 201: Economic performance 2016, 204: 2016 Procurement practices	201-1, 204-1	X	X
	Risk management	Operational, financial and market management.	6 th	Strategy	102-15	X	X
Natural Capital	Agribusiness sustainable practices	Use of technologies promoting the application of sustainable agricultural practices.	5 th	Technologies – not directly related with GRI topic.		X	X
	Eco-efficient management	Operational and energy eco-efficiency; water and effluent management; and management of waste, including hazardous ones.	8 th	Monitoring and management, however reported: GRI 301: Materials, 302: Energy, 303: Water, 306: Waste	Non-mandatory, but reported: 301-1, 302-1, 303-5, 306-1, 306-3	X	X
	Climate risks management	Actions taken for adapting and mitigating climate change and their impacts on the activities of the company.	10 th	Monitoring and anagement	Non-mandatory report	X	X

Strategic focus (material 2020)
Monitoring (not material 2020).

Pillar	Topic	Description	2020 Materiality	Theme	Core Standard Disclosures	Material topic impact	
						In the company	Out of the company
Capital and Relationship	Customer relations and satisfaction	Customer satisfaction and demand management	3 rd	416: Consumer Health and safety 2016, 417: Marketing and Labeling 2016, 418: Customer privacy 2016	416-2, 417-3, 418-1	x	x
	Human capital management	Employee diversity, inclusion, attraction, retention and development programs. Compensation, benefits and social security. Occupational health and safety.	4 th	GRI 401: Employment 2016, 403: Occupational health and safety 2018, 404: Training and education 2016, 405: Diversity and equal opportunities 2016, 406: Non-discrimination 2016, 407: Freedom of Association and collective bargaining	401-1, 401-2, 401-3, 403-1, 403-2, 403-3, 403-9, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, 407-1	x	
	Supply chain management	Value chain business partners.	7 th	Monitoring and management	Non-mandatory report	x	x
	Relationship with local communities	Programs aimed at obtaining the social license to operate, in addition to aspects related to community health and safety.	9 th	Monitoring and management	Non-mandatory report	x	x

■ Strategic focus (material 2020)
 ■ Monitoring (not material 2020).

GRI CONTENTS

GRI 102-55

GRI 101: Foundation 2016					
GRI 102: General disclosures 2016	Standard	Page	Omission	Global Compact	ODS
Organization profile					
	102-1: Name of the organization	7			
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	102-18: Governance structure	23			
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GRI 204: Procurement practices 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundary	67			
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundary	67			
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